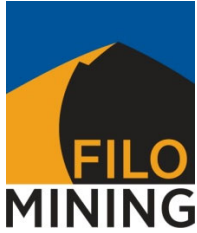


**NOTICE OF 2022 ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED AS OF MAY 6, 2022**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

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### Meeting Information

Date: Thursday, June 23, 2022  
Time: 10:00 a.m. (Pacific Time)  
Location: Suite 2000  
HSBC Building,  
885 West Georgia Street,  
Vancouver, British Columbia V6C 3E8

Fellow Shareholders,

You are invited to attend the Annual General and Special Meeting (the “**Meeting**”) of holders of common shares (the “**Shareholders**”) of Filo Mining Corp. (the “**Corporation**”). The purpose of the Meeting is:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2021, together with the report of the auditors thereon;
2. to fix the number of directors at eight;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint PricewaterhouseCoopers, LLP as auditor of the Corporation for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor; and
5. to consider and, if thought fit, to pass an ordinary resolution ratifying, confirming and approving certain amendments to the Corporation’s incentive stock option plan, as more particularly described in the accompanying management information circular (the “**Information Circular**”);
6. to consider, and, if thought fit, to pass an ordinary resolution to approve all unallocated stock options under the Corporation’s incentive stock option plan, as more particularly described in the accompanying Information Circular;
7. to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

If you held shares in the Corporation on May 6, 2022, you are entitled to receive notice of and vote at this Meeting or any postponement or adjournment of it.

Your vote is important. We recommend you vote your shares in advance of the meeting. For various reasons, including the potential for government recommendations and/or orders for physical distancing and restrictions on group gatherings and non-essential travel, we believe it is in the best interests of our shareholders, directors and employees for shareholders to communicate their votes and their opinions with the Corporation in advance of, instead of at, the meeting. Only registered shareholders and duly appointed proxyholders will be permitted access to the meeting. The Corporation is not aware of any items of business to be brought before the Meeting other than those noted above and further described in the accompanying

Information Circular. There will be no management presentation on the business or operations of the Corporation at the Meeting.

This Notice is accompanied by the Information Circular, a proxy form or voting instruction form and a financial statement request form. The Corporation's financial statements are available Corporation's website at [www.filomining.com](http://www.filomining.com) and are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Pursuant to the *Canada Business Corporations Act*, which is the Corporation's governing statute, a shareholder must inform the Corporation in writing that they DO NOT wish to receive a copy of the annual financial statements and related auditors' report. We urge you to complete the questions related to receiving the annual financial statements on the financial statement request form and proxy or voting instruction form carefully. If you do not inform the Corporation that you DO NOT wish to receive a copy, the annual financial statements will automatically be sent to you.**

If you are not able to attend the Meeting, please vote by using the proxy form or voting instruction form included with the Information Circular and return it according to the instructions provided before 10:00 a.m. (Pacific Time) on Tuesday, June 21, 2022.

DATED at Vancouver, British Columbia the 6th day of May, 2022.

Yours truly,

/s/ "James Beck"

James Beck, President & Chief Executive Officer

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## MANAGEMENT INFORMATION CIRCULAR

### GENERAL INFORMATION

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management ("**Management**") of Filo Mining Corp. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares in the capital of the Corporation (the "**Common Shares**") to be held on Thursday, June 23, 2022 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting of Shareholders (the "**Notice of Meeting**"). References in this Information Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

You have received this Information Circular because you owned Common Shares on May 6, 2022, being the record date (the "**Record Date**") for the Meeting. Unless otherwise stated, the information contained in this Information Circular is as of May 6th, 2022. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars, which is the Corporation's reporting currency.

The board of directors of the Corporation (the "**Board**") has approved the contents of this Information Circular and has directed Management to make it available to you.

This Information Circular provides the information that you need to vote at the Meeting.

1. If you are a Registered Shareholder (as defined below), you have been sent a proxy form that you can use if you choose not to vote at the Meeting.
2. If you are a Non-Registered (or Beneficial) Shareholder (as defined below), you may receive either a proxy form or voting instruction form and should follow the instructions included.

### **YOUR VOTE IS IMPORTANT. PLEASE READ THIS INFORMATION CIRCULAR CAREFULLY AND THEN VOTE YOUR COMMON SHARES, EITHER BY PROXY OR IN PERSON AT THE MEETING.**

This Information Circular is being sent to both Registered Shareholders and Non-Registered (or Beneficial) Shareholders.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as Non-Objecting Beneficial Owners ("**NOBOs**"). Those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as Objecting Beneficial Owners ("**OBOs**").

The Corporation does not send proxy-related materials directly to Non-Registered Shareholders. In accordance with the requirements as set out in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy to intermediaries for onward distribution to NOBOs and OBOs. The Corporation does not intend to pay for intermediaries to deliver the Meeting materials to OBOs. An OBO will therefore not receive the Meeting materials unless such OBO's intermediary assumes the cost of delivery.

Your vote is important. We recommend you vote your shares in advance of the meeting. For various reasons, including the potential for government recommendations and/or orders for physical distancing and restrictions on group gatherings and non-essential travel, we believe it is in the best interests of our shareholders, directors and employees for shareholders to communicate their votes and their opinions with the Corporation in advance of, instead of at, the meeting. Only registered shareholders and duly appointed proxyholders will be permitted access to the meeting. There will be no Management presentation on the business or operations of the Corporation at the Meeting.

## GENERAL VOTING INFORMATION

### **Request for Proxies**

Your proxy is being solicited on behalf of the Management in connection with the Meeting. Management will solicit proxies primarily by mail, but proxies may also be solicited personally by telephone by directors, officers and employees of the Corporation at a nominal cost. All costs of this solicitation will be borne by the Corporation.

### **Notice and Access**

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

### **Voting Instructions**

**If you specify how you want to vote on your proxy form or voting instruction form, your proxyholder has to vote that way. If you do not indicate how you want to vote, your proxyholder will decide for you.**

The individuals named in the enclosed form of proxy are officers and/or directors of the Corporation (the “Management Proxyholders”). They will vote your Common Shares for you, unless you appoint someone else to be your proxyholder. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. A proxy will not be valid unless the completed form of proxy is received by the Corporation’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 or via Internet to [www.investorvote.com](http://www.investorvote.com), by 10:00 a.m. (Pacific time) on June 21, 2022 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.

### **Registered Shareholder**

You are a “**Registered Shareholder**” if your Common Shares are registered in your name and you have a share certificate or direct registration advice.

### **Non-Registered Shareholder**

You are a “**Non-Registered (or Beneficial) Shareholder**” if your Common Shares are registered: (a) in the name of an intermediary that the Non-Registered Shareholder deals with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant. Non-Registered Shareholders do not appear on the list of Shareholders maintained by the transfer agent. Most shareholders are Non-Registered (or Beneficial) Shareholders.

**If you are unsure if you are a Registered Shareholder or a Non-Registered (or Beneficial) Shareholder, please contact Computershare at:**

Computershare Investor Services Inc.  
8th Floor, 100 University Avenue  
Toronto, Ontario, M5J 2Y1  
1-800-564-6253 (toll-free in Canada and U.S.)  
1-514-982-7555 (international)  
[service@computershare.com](mailto:service@computershare.com)

### **How to Vote if you are a Registered Shareholder**

|                 |  |
|-----------------|--|
| In Person       | You should identify yourself to the representative from Computershare before entering the Meeting to register your attendance at the Meeting.  |
| By Mail         | Complete, sign and date your proxy form and return it in the envelope provided. Please see "How to Use Your Proxy Form" below for more information.  |
| By Telephone:   | Call 1-866-732-8683 (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. You will need your 15-digit control number which is noted on your proxy form. International holders wishing to vote by telephone can dial 312-588-4290 to place their vote. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. |
| On the Internet | Go to <a href="http://www.investorvote.com">www.investorvote.com</a> and follow the instructions on the screen. You will need your 15-digit control number which is noted on your proxy form.  |
| By Fax          | Complete, sign and date your proxy form and send it by fax to 1-866-249-7775 (toll free in Canada and the United States) or 1-416-263-9524. Please see "How to Use Your Proxy Form" below for more information.  |

### **How to Use Your Proxy Form**

Complete your voting instructions, sign and date your proxy form and return it so that it is received before 10:00 a.m. (Pacific Time) on June 21, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the adjourned or postponed Meeting. **When you sign the proxy form (unless you appoint someone else, see below), you are authorizing the appointees, who are officers or directors of the Corporation, to vote your Common Shares for you at the Meeting. The Common Shares represented by a proxy form will be voted in favour or withheld from voting or voted against, as applicable, in accordance with your instructions on any ballot that may be called for at the Meeting.** If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. If you return your proxy form and do not indicate how you want to vote your Common Shares, your vote will be cast:

1. **FOR** the resolution fixing the number of directors at eight (8);
2. **FOR** the election of each of the persons nominated for election as directors in this Information Circular;
3. **FOR** the appointment of PricewaterhouseCoopers LLP as auditor and authorizing the directors to fix its remuneration;
4. **FOR** the ordinary resolution approving certain amendments to the Corporation's incentive stock option plan; and
5. **FOR** the ordinary resolution approving all unallocated stock options under the Corporation's incentive stock option plan.

Your proxyholder will also vote your Common Shares as he or she sees fit on any other matter, including amendments or variations of matters identified in this Information Circular or that may properly come before the Meeting and in respect of which you are entitled to vote. As at the date of this Information Circular, the Board and Management do not know of any amendments or variations to the proposed items of business or any additional matters which may be presented for consideration at the Meeting.

If you are appointing someone else to vote your Common Shares at the Meeting, insert the name of the person you are appointing as your proxyholder in the space provided. Your proxyholder does not have to be a Shareholder. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. At the Meeting, the person you appoint should register with the Computershare representative at the Meeting.

If you are an individual Shareholder, you or your authorized attorney must sign the proxy form. If the Shareholder is a corporation or other legal entity, an authorized officer or attorney must sign the proxy form.



If you need help completing your proxy form, please contact Computershare at the contact information listed above.

### **How to Change or Revoke your Vote**

If you wish to change a vote you made by proxy:

1. Complete a proxy form that is dated later than the proxy form you are changing and deposit it with Computershare so that it is received before 10:00 a.m. (Pacific Time) on June 21, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting; or
2. Vote again by telephone or on the internet before 10:00 a.m. (Pacific Time) on June 21, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting.

If you have submitted a proxy form, you may revoke it at any time prior to the exercise of the proxy. If you wish to revoke a vote you made by proxy:

1. Attend in person at the Meeting;
2. Send a notice of revocation in writing from you or your authorized attorney to the registered office of the Corporation, at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, so that it is received by the close of business (Pacific Time) on June 21, 2022 or, in the case of any adjournment or postponement of the Meeting, by the close of business on the last business day before the day of the adjourned or postponed Meeting;
3. Give a notice of revocation in writing from you or your authorized attorney to the Chair of the Meeting or the Corporate Secretary on the day of, but prior to the commencement of the Meeting; or
4. In any other manner permitted by law.

### **How to Vote if you are a Non-Registered Shareholder:**

The information set forth in this section is of significant importance as a substantial number of Shareholders do not hold Common Shares in their own name and are Non-Registered Shareholders.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, intermediaries will use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive the Meeting materials will either: (a) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed; or (b) be given a voting instruction form which is not signed by the intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow.

By proxy/voting information form

Your intermediary (your broker, investment dealer, bank, trust company, trustee, nominee or other intermediary) is required to ask for your voting instructions before the Meeting. The intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed to ensure your Common Shares are voted at the Meeting. Please contact your intermediary if you did not receive a proxy or voting instruction form together with this Information Circular. You may change your voting instructions given to an intermediary by notifying such intermediary in accordance with the intermediary's instructions.

In person The Corporation does not have access to the names or holdings of our Non-Registered Shareholders. This means you can only vote your Common Shares in person at the Meeting if you have previously appointed yourself as the proxyholder for your Common Shares by

inserting your name in the space provided on the proxy or voting instruction form which you received from your intermediary and submitting it as directed on the form. Non-Registered Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Only Registered Shareholders have the right to revoke a proxy. A Non-Registered Shareholder who wishes to change its vote must arrange for its intermediary to revoke its proxy on its behalf.

### **How to Vote if Your Common Shares Trade on the Nasdaq First North Growth Market**

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

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

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee of Management for election as a director of the Corporation and, to the knowledge of the Corporation, no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors. Directors and executive officers may also be interested in (i) the approval of the amendments to the Plan (as defined below) as detailed in this Information Circular under the heading “Particulars of Matters to be Acted Upon at the Meeting – Amendments to 10% Rolling Stock Option Plan” and (ii) the adoption of the Unallocated Option Resolution (as defined below) as detailed in this Information Circular under the heading “Particulars of Matters to be Acted Upon at the Meeting – Approval of Unallocated Options under Stock Option Plan”.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

As of May 6, 2022, being the date of this Information Circular, there are 121,451,606 Common Shares issued and outstanding. The Common Shares are the only voting securities issued by the Corporation and entitled to be voted at the Meeting. Each Shareholder is entitled to one vote for each Common Share held as of the Record Date.

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

To the knowledge of the Corporation’s directors and executive officers, the only persons or companies who beneficially own or exercise control or direction over, directly or indirectly, more than 10% of the Common Shares as of May 6, 2022, being the date of this Information Circular were:

| <b>Name</b>  | <b>Number of Common Shares</b> | <b>Percentage</b> |
|--|--------------------------------|-------------------|
| Lorito Holdings S.à.r.l. (“ <b>Lorito</b> ”) <sup>(1)</sup>              | 11,033,186                     | 9.1%              |
| Zebra Holdings and Investments S.à.r.l.(“ <b>Zebra</b> ”) <sup>(1)</sup> | 27,752,979                     | 22.9%             |

Notes:

<sup>(1)</sup> *Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 38,786,165 Common Shares, which represents approximately 31.9% of the current outstanding Common Shares. In July 2020, the Corporation obtained an unsecured US\$5.0 million credit facility from Zebra (the “July 2020 Facility”). During the year ended December 31, 2021, the Corporation made no draws against the July 2020 Facility, and it matured on July 12, 2021 with no amounts drawn or owing. No interest was payable in cash during its term.*

This information was obtained from publicly disclosed information and has not been independently verified by the Corporation.

Computershare counts and tabulates the votes. It does this independently of the Corporation to make sure that the votes of individual Shareholders are confidential. Computershare refers proxy forms to the Corporation only when:

- it is clear that a Shareholder wants to communicate with Management;
- the validity of the proxy is in question; or
- the law requires it.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

The matters to be brought before the Shareholders at the Corporation’s Meeting are:

- (a) to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2021 (the “**Annual Financial Statements**”), together with the report of the auditors thereon;
- (b) to fix the number of directors at eight (8);
- (c) to elect directors of the Corporation for the ensuing year;
- (d) to appoint PricewaterhouseCoopers, LLP as auditor of the Corporation for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
- (e) to consider and, if thought fit, to pass an ordinary resolution approving certain amendments to the Plan, as more particularly described in this Information Circular under the heading “Particulars of Matters to be Acted Upon at the Meeting – Amendments to 10% Rolling Stock Option Plan”;
- (f) to consider, and, if thought fit, to pass an ordinary resolution to approve all unallocated stock options under the Plan, as more particularly described in this Information Circular; and
- (g) to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

#### **Annual Financial Statements**

The Corporation’s Annual Financial Statements and the report of the auditor thereon will be placed before the Meeting. These documents can be found on the Corporation’s website at [www.filomining.com](http://www.filomining.com) and are available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). No vote by the Shareholders is required to be taken with respect to the Annual Financial Statements.

#### **Election of Directors**

The Board presently consists of eight (8) directors and it is intended to elect eight (8) directors for the ensuing year. The director nominees are:


Adam I. Lundin  
James Beck  
Alessandro Bitelli  
Erin Johnston  
Wojtek A. Wodzicki  
Phillip S. Brumit Sr.  
Carmel Daniele  
William A. W. Lundin

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

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

The Corporation has adopted a Majority Voting Policy prepared in accordance with Toronto Stock Exchange (“TSX”) majority voting requirements with respect to the annual election of directors. Pursuant to the Majority Voting Policy, each director must be individually elected by a majority (50%+1) of the votes cast with respect to his/her election, other than at contested meetings. If the votes in favour of the election of a Director at a Shareholder meeting represent less than a majority (i.e. 50% + 1) of the votes cast with respect to his or her election, that Director will immediately tender his or her resignation (“Resignation”) to the Board after the Shareholder meeting. Within ninety days following the applicable meeting, the Board shall conclude its deliberations and make a determination as to whether or not to accept the Resignation, however, as mandated in the TSX Company Manual, the Board shall accept the Resignation absent exceptional circumstances. Following the Board’s determination, the Board will publicly disclose their decision, including, if applicable, the reasons for not accepting the Resignation. A director who tenders a Resignation pursuant to the Majority Voting Policy shall not be permitted to participate in any meetings of the Board or any sub-committee of the Board at which his/her election as a director is being considered.

The following sets out information about each Management nominee to the Board as of May 6, 2022, including his or her background and experience, status of independence, committee memberships, meeting attendance record, main areas of expertise, other boards of which he or she is a member and his or her equity holdings in the Corporation. Each director has provided the information about the Common Shares that he or she owns or over which he or she exercises control or direction.

| NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS  |  |
|--|--|
|  <p><b>Adam I. Lundin</b><br/>British Columbia, Canada<br/><b>Chairman of the Board, Non-Independent Director</b><br/><b>Age:</b> 35<br/><b>Director Since:</b> September 11, 2017<br/><b>Common Shares Held:</b> 305,400</p> | <p><b>Biography:</b> Mr. Adam Lundin has many years of experience in capital markets and public company management across the natural resources sector. His background includes oil and gas and mining technology, investment advisory, international finance and executive management. He began his career working for several Lundin Group mining companies in various countries before moving into finance where he specialized in institutional equity sales, ultimately becoming co-head of the London office for an international securities firm. Mr. Adam Lundin is currently the President, CEO and a Director of Josemaria Resources, another Lundin Group company. Mr. Adam Lundin was the former President and CEO of Filo Mining, and now serves as the Chairman of the Board. He is also a Director of NGEx Minerals Ltd., Lundin Energy AB and the Lundin Foundation.</p> <p><b>Areas of Expertise:</b> International Finance and Capital Markets, Mining and Exploration Industry, International Business</p> <p><b>Meeting Participation during 2021:</b><br/>Board of Directors: Four (4) of Four (4) 100%</p> <p><b>Other Public Board Directorships:</b><br/>NGEx Minerals Ltd. (TSXV)<br/>Lundin Energy AB (Nasdaq Stockholm)</p> |

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS**



**James Beck**  
 British Columbia, Canada  
**President & CEO, Non-Independent Director**  
**Age:** 45  
**Director Since:** June 19, 2020  
**Common Shares Held:** 180,000

**Biography:** Mr. Beck has been the President of the Corporation since September 16, 2019 and Chief Executive Officer and director of the Corporation since June 19, 2020; formerly Vice President, Corporate Development and Projects of the Corporation from February 1, 2017 to September 16, 2019; formerly Director, Corporate Development of the Corporation from August 16, 2016 to February 1, 2017. In addition, formerly Vice-President, Corporate Development of Josemaria from February 2017 to August 2019; and Director, Corporate Development of Josemaria from January 2014 to February 2017.

**Areas of Expertise:** Mining Industry; Mergers and Acquisitions, Mineral Exploration and Development; International Business; Project Management

**Meeting Participation during 2021:**  
 Board of Directors: Four (4) of Four (4) 100%

**Other Public Board Directorships:**  
 Bluestone Resources Inc. (TSXV)



**Alessandro Bitelli**  
 British Columbia, Canada  
**Independent Lead Director**  
**Age:** 63  
**Director Since:** August 16, 2016  
**Common Shares Held:** 82,000

**Biography:** Mr. Bitelli has over 30 years of experience in the resource industry and in public accounting, having worked both in North America and Europe. He currently holds the position of Executive VP and Chief Financial Officer of Lundin Gold Inc. Prior to that, he served as Chief Financial Officer for Red Back Mining Inc., a gold mining company with two African operations that traded on the TSX until its \$9.2 billion takeover in 2010, Chief Financial Officer of RB Energy Inc. from 2011 to 2014 and Chief Financial Officer of Orca Gold Inc. from 2013 to 2016.

**Areas of Expertise:** Finance, Mergers and Acquisitions, Mining and Exploration Industry, International Business

**Meeting Participation during 2021:**  
 Board of Directors: Four (4) of Four (4) 100%  
 Audit Committee: Four (4) of Four (4) 100%  
 Compensation Committee: Two (2) of Two (2) 100%

**Other Public Board Directorships**  
 Group Eleven Resources Corp. (TSXV)  
 Montage Gold Corp. (TSXV)



**Erin Johnston**  
 British Columbia, Canada  
**Independent Director**  
**Age:** 50  
**Director Since:** June 17, 2020  
**Common Shares Held:** 11,350

**Biography:** Ms. Johnston serves as Managing Director of the Lundin Foundation, a Canadian not-for-profit organization that develops market-based programs to maximize benefits to communities surrounding resource operations. In her role as Managing Director, she advises on Environmental and Social Governance (“ESG”) issues to reduce non-technical risks of resource development projects, and engages with stakeholders on ESG issues, including host governments and local communities. Ms. Johnston brings over 15 years of experience in the private sector leading capacity building and resource governance projects in Latin America, Asia and Africa. Ms. Johnston began working in the oil and gas industry in 2009 through a multi-stakeholder environmental monitoring program with 15 companies in the oil sands of Northern Alberta. She was the former Director of Training Investment responsible for British Columbia’s annual investment in education and skills training. Ms. Johnston has a Master of Arts in International Leadership from Simon Fraser University and an Executive Leadership Certificate from the UBC Sauder School of Business.

**Areas of Expertise:** ESG, Capacity Building, Government Relations

**Meeting Participation during 2021:**  
 Board of Directors: Four (4) of Four (4) 100%  
 Corporate Governance and Nominating Committee: Two (2) of Two (2) 100%

**Other Public Board Directorships:**  
 Africa Oil Corp. (TSX, Nasdaq Stockholm)

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS**



**Wojtek A. Wodzicki**  
 British Columbia, Canada  
**Non-Independent Director**  
**Age:** 58  
**Director Since:** May 12, 2016  
**Common Shares Held:** 627,250

**Biography:** Dr. Wodzicki has a doctorate in Geosciences from the University of Arizona and over 30 years of experience in international mineral exploration and corporate management. Dr. Wodzicki is currently President and CEO of NGEx Minerals Ltd. (“**NGEx Minerals**”). During his varied career he has led successful exploration teams throughout the world and has managed large scale projects from the generative stage through to engineering studies. Teams led by Dr. Wodzicki are responsible for several significant discoveries including Los Helados, Josemaría, Filo del Sol, and El Limon-Guajes. Dr. Wodzicki was previously CEO of Josemaria Resources Inc., the Corporation, and Sanu Resources, and has served as a director of several public companies.

**Areas of Expertise:** Mining Industry; Mineral Exploration and Development; Project Management; Compensation; International Business

**Meeting Participation during 2021:**

Board of Directors: Four (4) of Four (4) 100%  
 Compensation Committee: Two (2) of Two (2) 100%  
 Corporate Governance and Nominating Committee: Two (2) of Two (2) 100%

**Other Public Board Directorships:**

NGEx Minerals Ltd. (TSXV)



**Phillip S. Brumit Sr.**  
 Georgia, U.S.A.  
**Independent Director**  
**Age:** 62  
**Director Since:** October 19, 2021  
**Common Shares Held:** Nil

**Biography:** Mr. Brumit Sr. is a mining executive with over 40 years of experience in property evaluation, engineering, project management, construction, start-up and operations within the industry. His industry experience includes President of Freeport-McMoRan's African Division focused on the Tenke Fungurume Mine in the DRC, North American Manager of Operations for Newmont Corporation, and General Manager of Operations for PT Newmont Nusa Tenggara's Batu Hijau mine in Indonesia. Mr. Brumit Sr. currently serves as Executive VP Projects & Operations at Josemaria Resources Inc. Previously, Mr. Brumit Sr. was President and Managing Director of Minera Candelaria, a subsidiary of Lundin Mining Corporation.

**Areas of Expertise:** Mining Industry; Mineral Exploration and Development; Project Management; Engineering and Construction; International Business

**Meeting Participation during 2021:** <sup>(1)</sup>

Board of Directors: One (1) of One (1) 100%  
 Corporate Governance and Nominating Committee: One (1) of One (1) 100%

<sup>(1)</sup> Mr. Brumit Sr. was appointed to the Board and the Corporate Governance and Nominating Committee on October 19, 2021 and thereafter attended all meetings he was entitled to attend.

**Other Public Board Directorships: None**



**Carmel Daniele**  
 United Kingdom  
**Independent Director**  
**Age:** 57  
**Director Since:** September 1, 2020  
**Common Shares Held:** Nil

**Biography:** Ms. Daniele is the founder and Chief Investment Officer of CD Capital Management Group Ltd., the fund manager of a number of private equity and mining funds, since 2006. She has over 25 years of natural resources investment experience, 10 years of which were spent with Newmont Mining/Normandy Mining where she was involved in the acquisition of various companies including LaSource SAS (a joint venture between BRGM and Normandy Mining). As Senior Executive (Corporate Advisory) at Newmont, Ms. Daniele structured cross-border mergers and acquisitions including the US\$24 billion three-way merger between Franco-Nevada, Newmont and Normandy Mining to create the largest gold company in the world. Post-merger, she was structured the divestment of various non-core mining assets around the world for the merchant banking arm of Newmont. Ms. Daniele started her career at Deloitte Touche Tohmatsu where she spent eight years in various corporate finance roles including international taxation, audit, accounting and reconstructions. Prior to the founding of CD Capital UK Ltd., she spent a year and a half as an investment advisor to a London based Special Situations Fund on sourcing and negotiating natural resource private equity investments. Ms. Daniele holds a Master of Laws (Corporate & Commercial) and Bachelor of Economics from the University of Adelaide and is a Fellow of the Institute of Chartered Accountants.

**Areas of Expertise:** Finance, Mergers and Acquisitions, Mining Industry; International Business

**Meeting Participation during 2021:**

Board of Directors: Four (4) of Four (4) 100%  
 Audit Committee: Four (4) of Four (4) 100%

**Other Public Board Directorships:**

Lundin Gold Inc. (TSX; Nasdaq Stockholm)  
 Prairie Mining Limited (ASX, LSE, WSE)



**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS**



**William A.W. Lundin**  
Switzerland  
**Non-Independent Director**  
**Age: 29**  
**Director Since: Nominee**  
**Common Shares Held: Nil**

**Biography:** Mr. William Lundin is the Chief Operating Officer for International Petroleum Corp. (“IPC”), an international oil and gas exploration and production company with a portfolio of assets located in Canada, Europe and South East Asia. Prior to being employed by IPC, William worked in various field positions within the Lundin Group and brings with him a wealth of technical expertise. He is a registered Professional Engineer in the province of Alberta and holds a Bachelor of Mineral Resource Engineering from Dalhousie University. Mr. William Lundin currently serves as Director’ for ShaMaran and the Lundin Foundation, and as Chairman for Africa Energy Corp. Mr. William Lundin holds a Bachelor of Engineering in Mineral Resource Engineering from Dalhousie University.

**Areas of Expertise:** Finance, Mining Industry; International Business; Project Management; Engineering

**Meeting Participation during 2021:** None <sup>(1)</sup>

<sup>(1)</sup> Mr. William Lundin did not serve as a Board member during fiscal 2021. Mr. William Lundin is standing for election to the Board at the Annual General and Special Meeting of the Shareholders to be held on June 23, 2022.

**Other Public Board Directorships:**

Africa Energy Corp. (TSXV; Nasdaq Stockholm)  
ShaMaran Petroleum Corp. (TSXV; Nasdaq Stockholm)

The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

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

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
  - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “order”) that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

On October 13, 2014, RB Energy Inc., a company of which Mr. Alessandro Bitelli was both Chief Financial Officer and Corporate Secretary, announced that the Board of Directors of RB Energy Inc. approved a filing on October 14, 2014, for an Initial Order to commence proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) from the Quebec Superior Court. On October 15, 2014, RB Energy Inc. further announced

that the Quebec Superior Court issued an Amended and Restated Initial Order in respect of RB Energy Inc. and certain of its subsidiaries under the CCAA. RB Energy Inc. was under the protection of the Quebec Superior Court and KPMG LLP was the appointed monitor. On May 8, 2015, RB Energy announced that the Quebec Superior Court appointed a receiver, Duff & Phelps Canada Restructuring Inc, under the *Bankruptcy and Insolvency Act*, and terminated the CCAA proceedings. The TSX de-listed RB Energy Inc.'s common shares effective at the close of business on November 24, 2014 for failure to meet the continued listing requirements of the TSX. Since that time, RB Energy Inc.'s common shares have been suspended from trading. Mr. Bitelli resigned as Chief Financial Officer and Corporate Secretary of RB Energy Inc. on May 8, 2015 and is therefore he is considered to have been an Executive Officer of a company within the period of 12 months preceding it filing for CCAA protection.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The following table sets out the current membership of the proposed Director nominees on the Corporation's Committees:

| Audit Committee            | Compensation Committee  | Corporate Governance and Nominating Committee |
|----------------------------|-------------------------|---|
| Alessandro Bitelli (Chair) | Wojtek Wodzicki (Chair) | Erin Johnston (Chair)                         |
| Carmel Daniele             | Alessandro Bitelli      | Wojtek Wodzicki                               |
| Erin Johnston              | Erin Johnston           | Phillip Brumit                                |

### **Appointment of Auditor**

The Board proposes to re-appoint PricewaterhouseCoopers, LLP as the auditor of the Corporation to hold office until the close of the next annual general meeting of Shareholders. The resolution to approve the re-appointment of PricewaterhouseCoopers, LLP will also authorize the Board to fix its remuneration. Additional information on fees paid to PricewaterhouseCoopers, LLP can be found below under "Audit Committee".

To be effective, the resolution to re-appoint PricewaterhouseCoopers, LLP must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

### **The Board recommends that Shareholders vote FOR the re-appointment of PricewaterhouseCoopers, LLP.**

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

### **Amendments to 10% Rolling Stock Option Plan**

The Corporation's current 10% rolling stock option plan (the "**Plan**") governing the issuance of stock options (the "**Options**") was last approved by Shareholders at the annual and special meeting of the Corporation held on June 17, 2021. For a description of the material terms of the Plan as it exists on the date hereof, see Schedule "B". Reference is made to the heading "Securities Authorized For Issuance Under Equity Compensation Plan – Awards Granted and Burn Rate" and Schedule "B" for the disclosure required when seeking security holder approval under Section 613(d) of the TSX Company Manual.

Section 613(i) of the TSX Company Manual provides that, notwithstanding that a security based compensation arrangement contains a provision allowing amendments to certain items without security holder approval, specific security holder approval is required for (i) any amendment to remove or to exceed the insider



participation limit and (ii) amendments to an amending provision within a security based compensation arrangement.

In connection with its graduation to the TSX on October 1, 2021, the Corporation provided an undertaking to the TSX to make certain amendments to the Plan. On May 4, 2022, the Board approved certain amendments to the Plan to bring the Plan into compliance with TSX requirements. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution in the form set out below (the “**Option Plan Resolution**”), subject to such amendments, variation or additions as may be approved at the Meeting, approving certain amendments to the Plan. A copy of the Plan containing the proposed amendments (the “**Plan Amendments**”) is attached to this Information Circular as Exhibit “A” to Schedule “B”.

The more substantive amendments being proposed are as follows:

- (1) removing the definition of “Affiliated Entity” that was duplicative of the defined term “Affiliate”;
- (2) revising the definitions of “consultant”, “employee” and “insider” to align with the rules set forth in the TSX Company Manual;
- (3) removing the definition of “market price” that was only applicable to TSX Venture Exchange (“**TSXV**”) issuers;
- (4) removing the limitations and restrictions relating to consultants and investor relations persons that were only applicable to TSXV issuers;
- (5) removing the requirements to include a hold period legend relating to Options granted below a discounted market price, as these were only applicable to TSXV issuers;
- (6) revising the requirements for setting the exercise price of the Options to align with the rules set forth in the TSX Company Manual, such that the price shall not be less than the closing price of the Common Shares on the TSX (or, if such Common Shares are not then listed and posted for trading on the TSX, on such other stock exchange on which the Common Shares are listed and posted for trading as may be selected by the Board) on the last business day immediately preceding the date of grant of such Option. If there is no trading on that date, the exercise price shall not be less than the greater of (i) the weighted average of the trading prices or (ii) the average daily high and low board lot trading prices, on the five consecutive trading days preceding the date of the grant. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the exercise price will be determined by the Board;
- (7) revising the comprehensive provision that provides that the Board may only make certain amendments with the requisite regulatory and shareholder approval to include: amendments to (i) remove or exceed the insider participation limits; (ii) reduce the exercise price, or cancel and reissue Options; or (iii) extend the term of an Option beyond the original expiry;
- (8) revising the comprehensive provision that provides that the Board may only make certain amendments with the requisite regulatory and shareholder approval to remove amendments that may lead to significant or unreasonable dilution in the Corporation’s outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing Shareholders;
- (9) adding a comprehensive provision that provides that, subject to receipt of requisite regulatory approval (where required), but not subject to shareholder approval, the Board may make all other amendments to the Plan or Options under the Plan that are not of the type contemplated in Item 6, including, without limitation: (i) a change to the vesting provisions of an Option or the Plan; (ii) amendments to the exercise procedures or vesting provisions of an Option or the Plan; (iii) amendments to the definitions, other than the definition of “Eligible Person”; (iv) amendments of an administrative nature; (v) amendments to add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of Options or a clawback provision; (vi) amendments to the Change of Control provisions provided for in the Plan;
- (10) adding a clawback provision; and

- (11) certain housekeeping amendments.

The Board has approved the Plan Amendments, subject to shareholder and stock exchange approvals.

The Board and Management recommend the adoption of the resolution approving the Plan Amendments. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

The text of the Option Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the 10% rolling stock option plan (the “**Stock Option Plan**”) of Filo Mining Corp. (the “**Corporation**”), as amended by the board of directors (the “**Board**”) and substantially in the form presented to the shareholders (the “**Shareholders**”) of the Corporation (the “**Amended Stock Option Plan**”) is hereby approved;
2. the Board be authorized on behalf of the Corporation to make any further amendments to the Amended Stock Option Plan as may be required by regulatory authorities, without further approval of the Shareholders, in order to ensure adoption of the Amended Stock Option Plan; and
3. the approval of the Amended Stock Option Plan by the Board is hereby ratified and confirmed and any one director or officer of the Corporation is hereby authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

**The Board believes that the passing of the Option Plan Resolution is in the best interests of the Corporation and recommend that Shareholders vote in favor of the Option Plan Resolution.**

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

#### **Approval of Unallocated Options Under 10% Rolling Stock Option Plan**

##### *Background*

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years.

Outstanding unexercised Options granted pursuant to the Plan are considered “allocated” Options by the TSX.

The Plan provides that the maximum number of Common Shares issuable from treasury by the Corporation under the Plan shall not exceed 10% (on a rolling basis) of the Corporation’s issued and outstanding Common Shares from time to time. The number of “unallocated” Options is calculated by subtracting (i) the number of Common Shares issuable pursuant to outstanding Options under the Plan from (ii) the number calculated as 10% of the issued and outstanding Common Shares at the time.

As at the date of this Information Circular, the Corporation has 121,451,606 Common Shares issued and outstanding, and accordingly, a maximum of 12,145,161 Common Shares are available for issuance under the Plan. As of the date of this Information Circular, there were 6,308,931 Options outstanding under the Plan, leaving 5,836,230 unallocated Options available for grant.

##### *Approval by Shareholders of the Unallocated Stock Options*

If approval of the unallocated Options is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Options under the Plan until the Corporation’s 2025 annual and special shareholders’ meeting (provided that such meeting is held on or prior to June 23, 2025). If approval is not obtained at the Meeting, any currently unallocated Options under the Plan will no longer be available for

grant, and previously granted Options will not be available for reallocation if they are cancelled or forfeited prior to exercise.

The Corporation requests that the Shareholders approve the unallocated Options issuable pursuant to the Plan. To be effective, the Unallocated Option Resolution must be approved by not less than a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution (the “**Unallocated Option Resolution**”):

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

- (a) all unallocated stock options issuable pursuant to the Plan are hereby approved and authorized;
- (b) the Corporation is hereby authorized to continue granting options under the Plan until June 23, 2025, being three years from the date of the Meeting;
- (c) any director or officer is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.”

**The Board believes that the passing of the Unallocated Option Resolution is in the best interests of the Corporation and recommend that Shareholders vote in favor of the Unallocated Option Resolution.**

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

#### **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor.

The audit committee (the “**Audit Committee**”) oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation’s auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a continuous basis, any reports prepared by the Corporation’s external auditors relating to the Corporation’s accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, if any, the Corporation’s internal accounting controls, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Corporation’s external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee shall meet a minimum of four times per fiscal year.

Additional information relating to the Audit Committee, including a copy of the Audit Committee’s Charter, is provided in the Corporation’s Annual Information Form dated March 31, 2022, with respect to the fiscal year ended December 31, 2021 (the “**AIF**”) and is available on the Corporation’s website at [www.filomining.com](http://www.filomining.com) and is also available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), in the section titled “Audit Committee” and at Schedule “A”.

The Audit Committee is currently comprised of Alessandro Bitelli (Chair), Erin Johnston and Carmel Daniele, all of whom are independent and financially literate as such terms are defined under NI 52-110. The education and experience of each member as it relates to the performance of their duties as a member of the Audit Committee member is detailed above under “Election of Directors”.

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board. The Corporation is relying on the exemption in section 6.1 of NI 52-110 regarding reporting obligations.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter at Schedule “A” to the AIF.

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2021, and December 31, 2020:

| Financial Year    | Audit Fees <sup>(1)</sup> | Audit Related Fees <sup>(2)</sup> | Tax Fees <sup>(3)</sup> | All Other Fees <sup>(4)</sup> |
|-------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|
| December 31, 2021 | \$65,265                  | \$34,500                          | \$Nil                   | \$Nil                         |
| December 31, 2020 | \$71,364                  | \$33,000                          | \$Nil                   | \$30,000                      |

Notes:

- (1) The aggregate fees billed for audit services.  
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the audit fees column.  
(3) The aggregate fees billed for tax compliance, tax advice, tax return and tax planning services.  
(4) The aggregate fees billed in relation to procedures undertaken with respect to the Corporation’s short-form prospectuses.

## STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a Named Executive Officer (a “**NEO**”) means each of the following individuals: (a) the Chief Executive Officer of the Corporation (“**CEO**”), (b) the Chief Financial Officer of the Corporation (“**CFO**”), (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the year ended December 31, 2021; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation or its subsidiary, nor acting in a similar capacity, as of December 31, 2021.

During the year ended December 31, 2021, the Corporation had five NEOs, as set out in the following table:

| Name              | Title  |
|-------------------|--|
| James Beck        | President & CEO  |
| Jeff Yip          | CFO  |
| Robert Carmichael | Vice President, Exploration                                  |
| Trevor D’Sa       | Vice President, Corporate Development and Investor Relations |
| Diego Charchafie  | General Manager, South America Operations                    |

## Compensation Discussion and Analysis

### Overview of Compensation Philosophy

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

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

## **Role of the Compensation Committee**

As at December 31, 2021, the Compensation Committee was comprised of Wojtek Wodzicki (Chair), Alessandro Bitelli and Erin Johnston. Mr. Bitelli and Ms. Johnston are considered to be independent directors.

The Compensation Committee has the depth of knowledge and the diversity of skills necessary to make informed and independent decisions on compensation matters. In particular, the skills and experience of the members, as detailed above under “Election of Directors”, enables the Compensation Committee to think critically and to make decisions on the suitability of the Corporation’s compensation policies and practices.

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

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

The annual review of performance and compensation by the Compensation Committee, including base salaries, performance-based bonuses and stock options, is conducted in the third quarter of each year in order to allow for the completion of the Corporation’s exploration field season in South America, where the majority of the Corporation’s projects and operations are based, and the full receipt and interpretation of results therefrom.

## **Role of Management in Determining Compensation**

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

## **Elements of NEO Compensation**

NEO compensation for the year ended December 31, 2021, was comprised of three components:

1. **Base salaries** – The NEO’s base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive’s performance over time. Base salaries are reviewed using a comparator group, thereby enabling the Corporation to compete for and retain executives critical to the Corporation’s long-term success and are also used as the basis to determine other elements of compensation and benefits. As payment of base salaries does not depend on the performance of any specific targets or goals, it is not viewed as “at risk” compensation.
2. **Performance-based Bonuses** – Discretionary performance-based bonuses are considered from time to time to reward those who have achieved exceptional performance and meet the objectives of the Corporation’s compensation program by rewarding pay for performance.
3. **Stock Options** – The Option component of executive compensation, which includes a vesting element to ensure retention, meets the objectives of the Corporation’s compensation program by both motivating the executive towards increasing share value and enabling the executive to share in the

future success of the Corporation. The vesting provisions also reduce the risk of short-term decision making. See “Incentive Plan Awards”.

Other benefits do not form a significant part of the remuneration package of any of our NEOs.

When evaluating performance and executive compensation, the Compensation Committee considers and evaluates executive compensation levels against available information for “peer group” companies, which are principally comprised of “junior mineral exploration” companies, to ensure that the Corporation’s executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size.

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

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

### **Base Salary**

Base salaries are a fixed component of compensation to ensure that the Corporation remains competitive and continues to attract and retain qualified and experienced executives. The annual base salaries of the NEOs are paid pursuant to respective employment agreements between each individual and the Corporation.

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

### **Performance-based Bonuses**

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

The Compensation Committee and the Board generally consider the award of bonuses on an annual basis, for twelve-month periods ending August 31. As of the date of this Information Circular, no cash bonuses have been awarded to NEOs with respect performance to the current twelve-month cycle ending August 31, 2022. Notwithstanding the foregoing, this does not preclude the Board from awarding an incentive bonus subsequent to this date, if recommended by the Compensation Committee, pursuant to the guidelines and considerations outlined herein.

### **Stock Options**

The Corporation provides long-term incentives through Option grants pursuant to the Plan. Options are a variable, or “at-risk”, component of compensation which are considered to be an effective vehicle for



deepening a sense of ownership amongst executives and increasing alignment with the interests of Shareholders, as they vest over time and provide an incentive to create long-term growth.

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

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

All NEOs are eligible to participate in the Plan. Reference is made to the heading “Securities Authorized for Issuance under Equity Compensation Plan” for a description of the Plan.

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

Taking into account the factors described above, the Compensation Committee recommended, and the Board approved the following Option grants to the NEOs during the year ended December 31, 2021:

| Name   | Options Granted <sup>(1)</sup><br>(#) | Option<br>Exercise Price<br>(\$) | Option<br>Expiration Date |
|--|---------------------------------------|----------------------------------|---------------------------|
| James Beck, President & CEO                                  | 168,000                               | 8.95                             | August 18, 2026           |
| Jeff Yip, CFO  | 86,000                                | 8.95                             | August 18, 2026           |
| Robert Carmichael, VP Exploration                            | 108,000                               | 8.95                             | August 18, 2026           |
| Trevor D’Sa, VP Corporate Development and Investor Relations | 15,000                                | 11.00                            | June 7, 2026              |
|  | 88,000                                | 8.95                             | August 18, 2026           |
| Diego Charchafle, General Manager, South America Operations  | 92,000                                | 8.95                             | August 18, 2026           |

Notes:

<sup>(1)</sup> Options granted vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. See “Incentive Plan Awards”.

### Benefits and Perquisites

Benefits do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the year ended December 31, 2021, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO’s salary.

### Risks Associated with the Corporation’s Compensation Policies and Practices

Given the current stage of development of the Corporation, neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices; however, risk management is a consideration of the Board generally when implementing its compensation program. The Board and the Compensation Committee do not believe that the Corporation’s compensation program results in unnecessary or inappropriate risk taking and

the Board and the Compensation Committee have not identified any risks arising from the compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

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

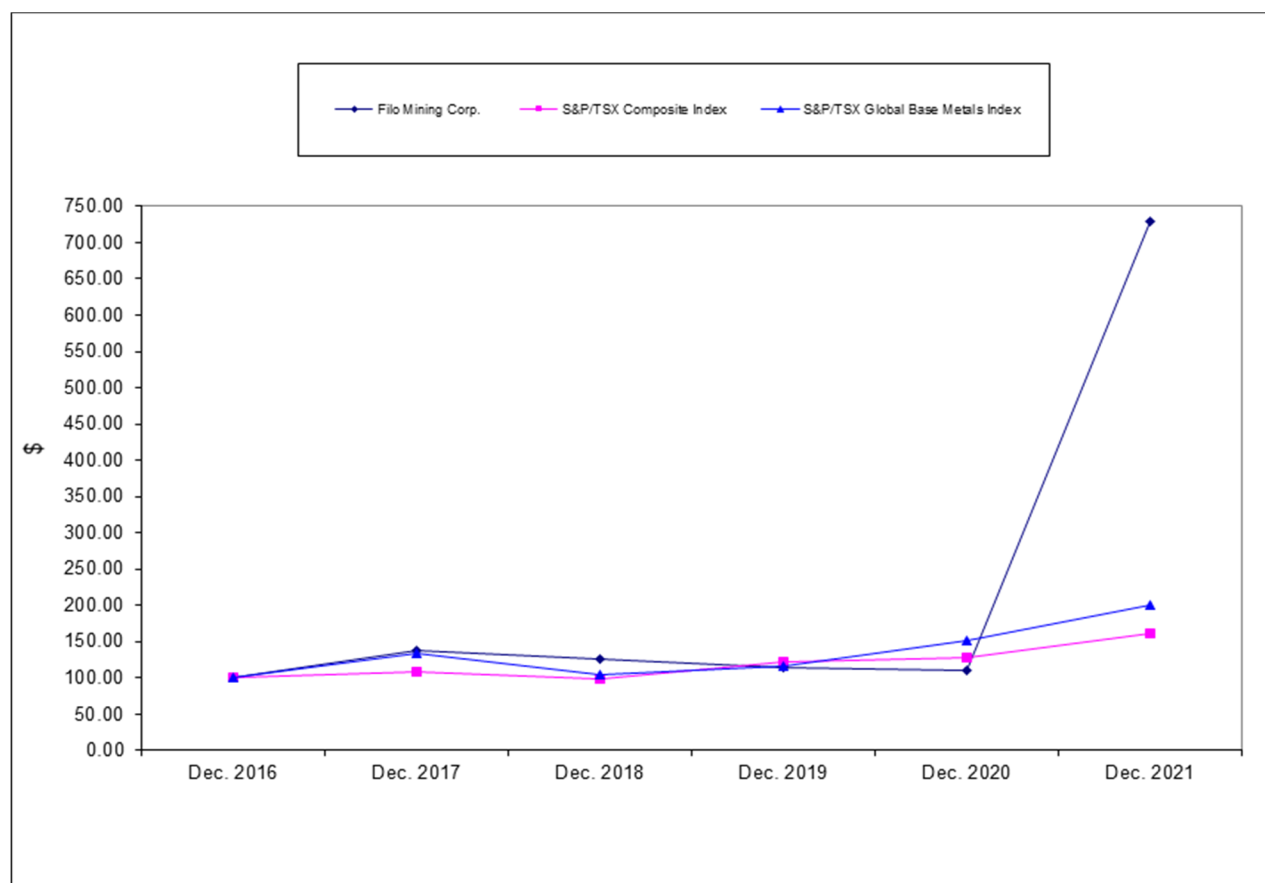
### Independent Compensation Consultant

The Corporation did not retain a compensation consultant or advisor to assist the Board and the Compensation Committee in determining the compensation for any of the Corporation's executive officers' or directors' compensation for the year ended December 31, 2021.

However, the Corporation has retained an independent compensation consultant to review and advise the Board and the Compensation Committee on the Corporation's compensation practices for its officers and directors, which may impact the Corporation for the year ending December 31, 2022 and onward. The report from the independent consultant was received by the Corporation in January 2022 and the recommendations contained therein are currently being reviewed and considered by the Board and the Compensation Committee.

### Performance Graph

The Corporation was initially listed on the TSXV on August 26, 2016. On October 1, 2021, the Common Shares commenced trading on the TSX and were delisted from trading on the TSXV. The following graph compares the total cumulative shareholder return for \$100 invested in Common Shares from December 31, 2016 to December 31, 2021 with the cumulative total return of the S&P/TSX Global Base Metals Index and the S&P/TSX Composite Index for the five most recently completed financial years of the Corporation. The share performance as set out in the graph does not necessarily indicate future price performance.





The Corporation does not directly tie increases or decreases in the level of executive compensation year over year, if any, to the increases or decreases in the market performance of the Common Shares. That being said, the value of any equity component of executive compensation, including Options, will naturally fluctuate along with any fluctuations in the market performance of the Common Shares.

The Board is satisfied that the compensation offered to the Corporation's NEOs is consistent with the Corporation's continued progress in building its business and improving its asset base, and is fair and reasonable, notwithstanding the relative trends in the Corporation's performance shown in the graph above.

### Summary Compensation Table

The following table sets forth a summary of the total compensation earned by and paid to the NEOs and attributable to their services to the Corporation during the three most recently completed financial years ended December 31, 2021, 2020, and 2019:

| Name and Principal Position                                    | Year | Salary (\$)               | Share-based awards (\$) | Option-based Awards (\$) <sup>(1)</sup> | Non-equity Incentive Plan Compensation (\$) |                           | Pension value (\$) <sup>(3)</sup> | All other Compensation (\$) | Total Compensation (\$) |
|--|------|---------------------------|-------------------------|---|---|---------------------------|-----------------------------------|-----------------------------|-------------------------|
|  |      |                           |                         |   | Annual incentive plans <sup>(2)</sup>       | Long-term incentive plans |                                   |                             |                         |
| James Beck<br>President & CEO                                  | 2021 | 350,000 <sup>(4)</sup>    | Nil                     | 700,261                                 | 500,000                                     | Nil                       | Nil                               | Nil                         | 1,550,261               |
|  | 2020 | 297,083 <sup>(4)</sup>    | Nil                     | 325,775                                 | 210,000                                     | Nil                       | Nil                               | Nil                         | 832,858                 |
|  | 2019 | 164,583 <sup>(4)</sup>    | Nil                     | 350,672                                 | 100,000                                     | Nil                       | Nil                               | Nil                         | 615,255                 |
| Jeff Yip<br>CFO  | 2021 | 120,000 <sup>(5)</sup>    | Nil                     | 358,467                                 | 200,000                                     | Nil                       | Nil                               | Nil                         | 678,467                 |
|  | 2020 | 107,125 <sup>(5)</sup>    | Nil                     | 83,771                                  | 150,000                                     | Nil                       | Nil                               | Nil                         | 340,896                 |
|  | 2019 | 179,375 <sup>(5)</sup>    | Nil                     | 204,558                                 | 100,000                                     | Nil                       | Nil                               | Nil                         | 483,933                 |
| Robert Carmichael<br>VP Exploration                            | 2021 | 120,267 <sup>(6)</sup>    | Nil                     | 450,167                                 | 300,000                                     | Nil                       | Nil                               | Nil                         | 870,434                 |
|  | 2020 | 110,587 <sup>(6)</sup>    | Nil                     | 91,217                                  | 150,000                                     | Nil                       | Nil                               | Nil                         | 351,804                 |
|  | 2019 | 165,750 <sup>(6)</sup>    | Nil                     | 204,558                                 | 100,000                                     | Nil                       | Nil                               | Nil                         | 470,308                 |
| Trevor D'Sa<br>VP Corporate Development and Investor Relations | 2021 | 102,000 <sup>(7)</sup>    | Nil                     | 456,711                                 | 15,000                                      | Nil                       | Nil                               | Nil                         | 573,711                 |
|  | 2020 | n/a                       | n/a                     | n/a                                     | n/a   | n/a                       | n/a                               | n/a                         | n/a                     |
|  | 2019 | n/a                       | n/a                     | n/a                                     | n/a   | n/a                       | n/a                               | n/a                         | n/a                     |
| Diego Charchafie<br>General Manager, South America Operations  | 2021 | 130,356 <sup>(8)(9)</sup> | Nil                     | 383,476                                 | 300,000                                     | Nil                       | Nil                               | Nil                         | 813,832                 |
|  | 2020 | 116,312 <sup>(8)(9)</sup> | Nil                     | 79,117                                  | 100,000                                     | Nil                       | Nil                               | Nil                         | 295,429                 |
|  | 2019 | 36,798 <sup>(8)(9)</sup>  | Nil                     | 175,336                                 | 45,000                                      | Nil                       | Nil                               | 65,261 <sup>(9)</sup>       | 322,395                 |

**Notes:**

<sup>(1)</sup> The Corporation used the Black-Scholes option pricing model for determining the fair value of Options issued at grant date and is consistent with the determinations used for financial statement purposes. The Corporation selected the Black-Scholes model given its prevalence of use within North America. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the Options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized. The Black-Scholes option pricing model incorporates the following assumptions, which have been calculated and presented on a weighted average basis for the Options issued to NEOs during the years noted:

|                                 | 2021      | 2020      | 2019      |
|---------------------------------|-----------|-----------|-----------|
| Average risk-free interest rate | 0.61%     | 0.27%     | 1.46%     |
| Expected stock price volatility | 61.09%    | 58.06%    | 56.63%    |
| Expected life                   | 4.0 years | 5.0 years | 5.0 years |
| Expected dividend yield         | ---       | ---       | ---       |
| Fair value per option granted   | \$4.22    | \$0.93    | \$1.17    |

<sup>(2)</sup> During the year ended December 31, 2021, the Corporation paid performance-based bonuses to the NEOs of the Corporation in recognition of their efforts from September 2020 to August 2021 inclusive. The performance-based bonuses were approved by the Board, on the recommendation of the Compensation Committee, and paid in August 2021. Similarly, during the year ended December 31, 2020, the Corporation paid performance-based bonuses to the NEOs of the Corporation in recognition of their efforts from January 2019 to August 2020 inclusive. The performance-based bonuses were approved by the Board, on the recommendation of the Compensation Committee, and paid in August 2020. The Corporation also paid performance-based bonuses to the NEOs of the

Corporation during the year ended December 31, 2019, in recognition of their efforts during 2018. As at the date of this Information Circular, the Corporation has not paid, nor has the Board approved, performance-based bonuses to the NEOs of the Corporation in recognition of their efforts from September 2021 onwards, which is scheduled to be reviewed in the third quarter of 2022 upon completion of the Corporation's current exploration season and budget year, which runs from September 2021 to August 2022 inclusive.

- (3) The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (4) Mr. Beck was concurrently the Vice President, Corporate Development of the Corporation and Josemaria until September 16, 2019, at which point Mr. Beck was appointed the President of the Corporation and his services to Josemaria were terminated. Mr. Beck served as the President of the Corporation until June 19, 2020, at which point he also assumed the role of Chief Executive Officer of the Corporation. During the years ended December 31, 2021, and 2020, Mr. Beck's services to the Corporation were carried out pursuant to an employment agreement with the Corporation and his salary of \$350,000 and \$297,083, respectively, was fully paid by, and attributed to, the Corporation. During the year ended December 31, 2019, his services to the Corporation were carried out pursuant to an employment agreement with the Corporation, and his services to Josemaria were carried out pursuant to an employment agreement with Josemaria and the Services Agreement. During the year ended December 31, 2019, the Corporation paid a base salary of \$248,958 to Mr. Beck, and pursuant to the Services Agreement, the Corporation was allocated \$164,583, which represented 66% of Mr. Beck's total base salary for that year. The remaining 34% of Mr. Beck's total base salary for the year was charged to Josemaria. Only the amounts attributable to Mr. Beck's service to the Corporation are provided in the table above. Mr. Beck did not receive additional compensation as a director. See "Services Agreement with the Corporation, Josemaria and NGEx Minerals" below.
- (5) Mr. Yip is the Chief Financial Officer of the Corporation and has also concurrently served as Chief Financial Officer of NGEx Minerals since September 16, 2019. During the years ended December 31, 2021, 2020 and 2019, Mr. Yip's services to the Corporation were carried out pursuant to an employment agreement with the Corporation, and his services to NGEx Minerals were carried out pursuant to an employment agreement with NGEx Minerals and pursuant to the Services Agreement. During the years ended December 31, 2021, and 2020, the Corporation paid a base salary of \$240,000 and \$214,250, respectively, to Mr. Yip, and pursuant to the Services Agreement, the Corporation has been allocated \$120,000 and \$107,125, which represents, in both cases, 50% of Mr. Yip's total base salary for the year. The remaining 50% of Mr. Yip's total base salary for the years ended December 31, 2021 and 2020 has been charged to NGEx Minerals. During the year ended December 31, 2019, the Corporation paid a base salary of \$210,000 to Mr. Yip, and pursuant to the Services Agreement, the Corporation was allocated \$179,375, which represented 85% of Mr. Yip's total base salary for that year. The remaining 15% of Mr. Yip's total base salary for the year ended 2019 was charged to NGEx Minerals. Only the amounts attributable to Mr. Yip's service to the Corporation are provided in the table above. See "Services Agreement with the Corporation, Josemaria and NGEx Minerals" below.
- (6) Mr. Carmichael is the Vice President, Exploration of the Corporation and Josemaria and was also appointed the Vice President, Exploration of NGEx Minerals with effect from July 17, 2019. His services to Josemaria are carried out pursuant to an employment agreement with Josemaria and the Services Agreement, and his services to NGEx Minerals are carried out pursuant to an employment agreement with NGEx Minerals and the Services Agreement. During the year ended December 31, 2021, the Corporation paid a base salary of \$273,333 to Mr. Carmichael, and pursuant to the Services Agreement, the Corporation has been allocated \$120,267, which represents 44% of Mr. Carmichael's total base salary for the year. Of the remainder of Mr. Carmichael's total base salary, 33% has been charged to Josemaria and 23% has been charged to NGEx Minerals. Similarly, during the year ended December 31, 2020, the Corporation paid a base salary of \$251,333 to Mr. Carmichael, and pursuant to the Services Agreement, the Corporation was allocated \$110,587, which represented 44% of Mr. Carmichael's total base salary for that year. Of the remainder of Mr. Carmichael's total base salary, 33% was charged to Josemaria and 23% was charged to NGEx Minerals. During the year ended December 31, 2019, the Corporation paid a base salary of \$260,000 to Mr. Carmichael, and pursuant to the Services Agreement, the Corporation was allocated \$165,750, which represented 64% of Mr. Carmichael's total base salary for that year. Of the remainder of Mr. Carmichael's total base salary, 23% was charged to Josemaria and 13% was charged to NGEx Minerals. Only the amounts attributable to Mr. Carmichael's service to the Corporation are provided in the table above. See "Services Agreement with the Corporation, Josemaria and NGEx Minerals" below.
- (7) Mr. D'Sa was appointed VP Corporate Development and Investor Relations on June 7, 2021. His services to the Corporation are carried out pursuant to an employment agreement with the Corporation. The amount shown represents Mr. D'Sa's salary for the period from June 7, 2021, to December 31, 2021.
- (8) Mr. Charchafliie was appointed as the General Manager, South America Operations of the Corporation with effect from September 1, 2019. His services to the Corporation are carried out pursuant to an employment agreement with a subsidiary of the Corporation, and a consulting agreement with the Corporation. Mr. Charchafliie was also concurrently appointed as the General Manager, South America Operations of NGEx Minerals with effect from September 1, 2019. During the year ended December 31, 2021, Mr. Charchafliie's total cumulative base remuneration for his services to both the Corporation and NGEx Minerals was \$222,217, of which \$131,108 or 59% has been allocated to the Corporation. The remaining 41% of Mr. Charchafliie's total base remuneration has been allocated to NGEx Minerals. During the year ended December 31, 2020, Mr. Charchafliie's total cumulative base remuneration for his services to both the Corporation and NGEx Minerals was \$194,715, of which \$116,312 or 60% was allocated to the Corporation. The remaining 40% of Mr. Charchafliie's total base remuneration for fiscal 2020 was allocated to NGEx Minerals. From the time of his appointment on September 1, 2019, to December 31, 2019, Mr. Charchafliie's total cumulative base remuneration for his services to both the Corporation and NGEx Minerals was \$60,263, of which \$36,798 or 61% was charged to the Corporation. The remaining 39% of Mr. Charchafliie's total base remuneration for this period was allocated to NGEx Minerals. Only the amounts attributable to Mr. Charchafliie's service to the Corporation are provided in the table above. Prior to his appointment, Mr. Charchafliie was a technical geological consultant to the

Corporation, and for the period from January 1, 2019 to his appointment, the Corporation paid consulting fees having an equivalent of \$65,261 to Mr. Charchafie.

<sup>(9)</sup> Represents salary and fees. Mr. Charchafie's salary is paid in Argentine pesos and was converted into Canadian dollars using the exchange rate of 75.59 Argentine pesos per Canadian dollar for the year ended December 31, 2021, and the rate of 52.01 Argentine pesos per Canadian dollar for the year ended December 31, 2020. For the period from the date of Mr. Charchafie's appointment on September 1, 2019, to December 31, 2019, the exchange rate used was 44.94 Argentine pesos per Canadian dollar. Fees are based in Canadian dollars.

## **Services, Employment and Consulting Agreements**

### **Definitions**

**"Good Reason"** shall mean (i) a material reduction in the executive's responsibilities, title or reporting; (ii) a material and involuntary reduction of the executive's base salary or vacation; (iii) a material change in the place of employment from which the executive works; or (iv) any other circumstances that would otherwise constitute a constructive dismissal at common law.

**"Cause"** shall mean any one of the following: (i) if there is a repeated and demonstrated failure to perform the material duties of the executive's position in a competent manner or to observe the policies, codes and mandates of the Corporation and where the executive fails to substantially remedy the failure within a reasonable period of time after receiving written notice of such failure from the Corporation; (ii) if the executive is convicted of a criminal offence; (iii) if the executive is sanctioned or otherwise penalized by the TSX and/or any regulatory authorities having jurisdiction for an offence involving fraud or dishonesty; (iv) if the executive fails to honour his/her fiduciary duties to the Corporation, including the duty to act in the best interests of the Corporation and its associates and affiliates or is in breach of any provision of their respective employment agreement; or (v) if the executive disobeys reasonable and lawful instructions given in the course of employment by the CEO or the Board, as applicable, that are not remedied by such executive within a reasonable period of time after receiving written notice of such disobedience.

**"Change of Control"** shall mean any one of the following: (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction; (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets rights or properties of the Corporation and/or any of its subsidiaries, which have an aggregate book value greater than 50% off the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a majority-owned subsidiary of the Corporation in the course of a reorganization of the Corporation's assets and its subsidiaries; (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; (iv) any person, entity or group of persons or entities acting jointly or in concert acquires or acquires control of 40% or more of the outstanding Common Shares, unless a majority of the Board as constituted immediately prior to such acquisition determines that the circumstances are such that a Change of Control should be deemed not have occurred; (v) as a result of or in connection with a contested election of directors or a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation, where the incumbent directors no longer constitute a majority of the Board; or (vi) the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

### **Services Agreement between the Corporation, Josemaria and NGEx Minerals**

The Corporation has a cost sharing arrangement with Josemaria and NGEx Minerals for the provisions of certain management personnel services to the Corporation. Under the terms of a services agreement among the Corporation, Josemaria, and NGEx Minerals dated July 17, 2019 as amended from time to time (the **"Services Agreement"**), Josemaria and NGEx Minerals provides management and personnel services to the Corporation, while the Corporation provides financial management and administrative services to Josemaria and NGEx

Minerals. The cost sharing allocation among the Corporation, Josemaria and NGEx Minerals is reviewed periodically and adjusted as deemed appropriate.

#### **Employment Agreement – James Beck**

Mr. Beck's services are provided pursuant to an employment agreement with the Corporation dated June 19, 2020 (the "**Beck Employment Agreement**"). Pursuant to the Beck Employment Agreement, Mr. Beck is paid a cumulative annual salary of \$350,000 for his services as the President and Chief Executive Officer of the Corporation. The Beck Employment Agreement has an indefinite term and automatically renews each year unless terminated as noted below. Pursuant to the Beck Employment Agreement, Mr. Beck receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Pursuant to the Beck Employment Agreement, Mr. Beck may, at any time, terminate the Beck Employment Agreement voluntarily by giving 90 days written notice to the Corporation; as well Mr. Beck may also terminate it at any time for Good Reason. The Corporation may terminate the Beck Employment Agreement at any time without Cause, by giving 18 months' written notice to Mr. Beck. In lieu of notice, the Corporation may pay Mr. Beck a lump sum amount equal to his compensation earned up to the termination date, plus 18 months' base salary at the current rate being paid at the time of termination, plus a payment equivalent to the performance bonus earned for the calendar year prior to the time of termination providing such amount shall not be greater than Mr. Beck's annual salary in effect at the date of termination (the notice or payment in lieu of notice do not apply if Mr. Beck's termination is undertaken to facilitate the commencement of employment with another member of the Lundin group of companies). Pursuant to the Beck Employment Agreement, within six months following a Change of Control, Mr. Beck shall be entitled to resign and the Corporation will pay Mr. Beck a lump sum amount equal to 18 months' base salary at the rate being paid at the time of termination and any Options held by Mr. Beck will vest immediately.

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

#### **Employment Agreement – Jeff Yip**

Mr. Yip's services are provided pursuant to an employment agreement with the Corporation dated June 1, 2018 and most recently amended on August 15, 2020 (the "**Yip Employment Agreement**"). Pursuant to the Yip Employment Agreement and the Services Agreement, Mr. Yip is paid a cumulative annual salary of \$240,000 for his services as the Chief Financial Officer of the Corporation and for his services as Chief Financial Officer of NGEx Minerals. The Yip Employment Agreement has an indefinite term and may be terminated by the Corporation or Mr. Yip as noted below. Pursuant to the Yip Employment Agreement, Mr. Yip receives standard employment benefits, including medical, extended health, and, where applicable, life insurance.

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

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

### **Employment Agreement – Robert Carmichael**

Mr. Carmichael's services are provided pursuant to an employment agreement with the Corporation dated August 16, 2016, and most recently amended on August 18, 2021 (the "**Carmichael Employment Agreement**"). Pursuant to the Carmichael Employment Agreement and the Services Agreement, Mr. Carmichael is paid a cumulative annual salary of \$300,000 for his services as the Vice President, Exploration of the Corporation and for his services as the Vice President, Exploration of Josemaria and for his services as Vice President, Exploration of NGEx Minerals. The Carmichael Employment Agreement has an indefinite term and may be terminated by the Corporation or Mr. Carmichael as noted below. Pursuant to the Carmichael Employment Agreement, Mr. Carmichael receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

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

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

### **Employment Agreement – Trevor D'Sa**

Mr. D'Sa's services are provided pursuant to an employment agreement with the Corporation dated June 7, 2021 (the "**D'Sa Employment Agreement**"). Pursuant to the D'Sa Employment Agreement, Mr. D'Sa is paid a cumulative annual salary of \$180,000 for his services as the Vice President, Corporate Development and Investor Relations of the Corporation. The D'Sa Employment Agreement has an indefinite term and may be terminated by the Corporation or Mr. D'Sa as noted below. Pursuant to the D'Sa Employment Agreement, Mr. D'Sa receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

Pursuant to the D'Sa Employment Agreement, Mr. D'Sa may, at any time, terminate the D'Sa Employment Agreement voluntarily by giving 90 days written notice to the Corporation; as well Mr. D'Sa may also terminate it at any time for Good Reason. The Corporation may terminate the D'Sa Employment Agreement at any time without Cause, by giving twelve months' written notice to Mr. D'Sa. In lieu of notice, the Corporation may pay Mr. D'Sa a lump sum amount equal to his compensation earned up to the termination date, plus twelve months' base salary at the current rate being paid at the time of termination, plus a payment equivalent to the performance bonus earned for the calendar year prior to the time of termination providing such amount shall not be greater than Mr. D'Sa's annual salary in effect at the date of termination (the notice or payment in lieu of notice do not apply if Mr. D'Sa's termination is undertaken to facilitate the commencement of employment with another member of the Lundin group of companies). Pursuant to the D'Sa Employment Agreement, within six months following a Change of Control, Mr. D'Sa shall be entitled to resign, and the Corporation will pay Mr. D'Sa a lump sum amount equal to the pro rata compensation earned up to the termination date plus twelve months' base salary at the rate being paid at the time of termination and any Options held by Mr. D'Sa will vest immediately.



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

### **Consulting Agreement – Diego Charchafli**

Mr. Charchafli’s services are provided pursuant to a consulting agreement dated September 1, 2019 with the Corporation, the Services Agreement, and a work contract dated September 1, 2019 with Filo del Sol Exploracion S.A. as described below, and most recently amended with effect on January 1, 2022 (collectively the “**Charchafli Agreements**”). Pursuant to the Charchafli Agreements, Mr. Charchafli provides services on an exclusive basis to the Corporation and NGEx Minerals. For the services rendered by Mr. Charchafli to the Corporation, the Corporation pays Mr. Charchafli, either directly or via NGEx Minerals, a monthly rate of \$5,833 and an annual salary of 7,382,700 Argentine pesos (\$81,939 converted into Canadian dollars using the exchange rate of 90.10 Argentine pesos per Canadian dollar as of the date of this Information Circular). The Charchafli Agreements, subject to Argentine labour laws in effect, as amended from time to time, have an indefinite term and automatically renew each year unless terminated as noted below. Pursuant to his work contract with Filo del sol Exploracion S.A., a subsidiary of the Corporation, Mr. Charchafli receives standard employment benefits, including medical, extended health, and where applicable, life insurance.

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

### **Termination and Change of Control Benefits**

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

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

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

### **Severance Triggering Event Payments**

Pursuant to the applicable employment agreement and the Services Agreement, if a severance payment triggering event had occurred on December 31, 2021, the combined notice and severance payments that would be payable to Messrs. Beck, Yip, Carmichael, D’Sa and Charchafli would have been as follows:

| Name       | Termination by the Corporation for any reason other than Cause and unrelated to Change of Control of the Corporation (estimated) (\$) | Termination by the Corporation without Cause after a Change of Control of the Corporation (estimated) (\$) |
|------------|---|--|
| James Beck | 875,000 <sup>(1)</sup>  | 875,000  |

| Name              | Termination by the Corporation for any reason other than Cause and unrelated to Change of Control of the Corporation (estimated) (\$) | Termination by the Corporation without Cause after a Change of Control of the Corporation (estimated) (\$) |
|-------------------|---|--|
| Jeff Yip          | 140,000 <sup>(2)(3)</sup>   | 240,000  |
| Robert Carmichael | 154,000 <sup>(4)(5)</sup>   | 300,000  |
| Trevor D'Sa       | 195,000 <sup>(6)</sup>  | 195,000  |
| Diego Charchafle  | n/a <sup>(7)</sup>  | n/a  |

Notes:

- (1) 18 months' notice period, or payment in lieu thereof, at a base salary rate of \$350,000 per annum plus an amount equivalent to the performance bonus earned during the previous calendar year not to exceed the base salary.
- (2) 60 days' notice period, or payment in lieu thereof, and twelve months' severance, at a base salary rate of \$240,000 per annum, with 50% allocated to the Corporation as prescribed by the Services Agreement.
- (3) Approximately \$240,000 in the case of disability less any severance payments or disability benefits.
- (4) 60 days' notice period, or payment in lieu thereof, and twelve months' severance, at a base salary rate of \$300,000 per annum, with 44% allocated to the Corporation as prescribed by the Services Agreement.
- (5) Approximately \$300,000 in the case of disability less any severance payments or disability benefits.
- (6) twelve months' notice period, or payment in lieu thereof, at a base salary rate of \$180,000 per annum plus an amount equivalent to the performance bonus earned during the previous calendar year not to exceed the base salary.
- (7) As applicable, under Argentine labour laws in effect, as amended from time to time.

## INCENTIVE PLAN AWARDS

### Outstanding Option-Based Awards/Share-Based Awards

The following table sets forth for the NEOs, the Options outstanding pursuant to the Plan as at December 31, 2021. The Corporation does not grant any share-based awards.

| Name and Position  | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-money Options (\$) <sup>(1)</sup> |               |
|--|---|----------------------------|------------------------|---|---------------|
|  |   |                            |                        | Exercisable   | Unexercisable |
| James Beck<br>President & CEO                                    | 168,000 <sup>(2)</sup>                                  | 8.95                       | Aug. 18, 2026          | 213,920   | 427,840       |
|  | 350,000 <sup>(3)</sup>                                  | 1.91                       | Aug. 17, 2025          | 2,534,007   | 1,266,993     |
|  | 300,000 <sup>(4)</sup>                                  | 2.75                       | Oct. 11, 2024          | 3,006,000   | n/a           |
|  | 150,000 <sup>(4)</sup>                                  | 2.20                       | Aug. 14, 2023          | 1,585,500   | n/a           |
|  | 100,000 <sup>(4)</sup>                                  | 2.50                       | Sep. 13, 2022          | 1,027,000   | n/a           |
| Jeff Yip<br>CFO  | 86,000 <sup>(2)</sup>                                   | 8.95                       | Aug 18, 2026           | 109,508   | 219,012       |
|  | 90,000 <sup>(3)</sup>                                   | 1.91                       | Aug. 17, 2025          | 651,600   | 325,800       |
|  | 175,000 <sup>(4)</sup>                                  | 2.75                       | Oct. 11, 2024          | 1,753,500   | n/a           |
|  | 150,000 <sup>(4)</sup>                                  | 2.20                       | Aug. 14, 2023          | 1,585,500   | n/a           |
|  | 100,000 <sup>(4)</sup>                                  | 2.50                       | Sep. 13, 2022          | 1,027,000   | n/a           |
| Robert Carmichael<br>VP Exploration                              | 108,000 <sup>(2)</sup>                                  | 8.95                       | Aug. 18, 2026          | 137,520   | 275,040       |
|  | 98,000 <sup>(3)</sup>                                   | 1.91                       | Aug. 17, 2025          | 709,527   | 354,753       |
|  | 175,000 <sup>(4)</sup>                                  | 2.75                       | Oct. 11, 2024          | 1,753,500   | n/a           |
|  | 150,000 <sup>(4)</sup>                                  | 2.20                       | Aug. 14, 2023          | 1,585,500   | n/a           |
|  | 100,000 <sup>(4)</sup>                                  | 2.50                       | Sep. 13, 2022          | 1,027,000   | n/a           |
| Trevor D'Sa<br>VP Corporate Development and Investor Relations   | 88,000 <sup>(2)</sup>                                   | 8.95                       | Aug. 18, 2026          | 112,052   | 224,108       |
|  | 15,000 <sup>(2)</sup>                                   | 11.00                      | June 7, 2026           | 8,850   | 17,700        |
| Diego Charchafle<br>General Manager,<br>South America Operations | 92,000 <sup>(2)</sup>                                   | 8.95                       | Aug. 18, 2026          | 117,148   | 234,292       |
|  | 56,667 <sup>(3)</sup>                                   | 1.91                       | Aug. 17, 2025          | 307,696   | 307,707       |
|  | 150,000 <sup>(4)</sup>                                  | 2.75                       | Oct. 11, 2024          | 501,000   | n/a           |

Notes:

- (1) Calculated using the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of 2021) of \$12.77 and subtracting the exercise price of in-the-money Options. These Options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2021, one-third of these Options had vested. See "Incentive Plan Awards".

- (3) *These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2021, two-thirds of these Options had vested. See “Incentive Plan Awards”.*
- (4) *These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2021, these Options had fully vested. See “Incentive Plan Awards”.*

### **Incentive Plan Awards – Value Vested or Earning During the Year**

The following table sets forth for the NEOs, the value of all incentive plan awards vested during the year ended December 31, 2021.

| <b>Name</b>   | <b>Option-based awards – Value vested during the year <sup>(1)</sup> (\$)</b> | <b>Share –based awards – Value vested during the year (\$)</b> | <b>Non-equity incentive plan compensation – Value earned during the year (\$)</b> |
|---|---|--|---|
| James Beck<br>President & CEO                                   | 1,440,502   | n/a  | n/a   |
| Jeff Yip<br>CFO   | 574,288   | n/a  | n/a   |
| Robert Carmichael<br>VP Exploration                             | 592,930   | n/a  | n/a   |
| Trevor D’Sa<br>VP Corporate Development and Investor Relations  | 0   | n/a  | n/a   |
| Diego Charchafie<br>General Manager<br>South America Operations | 510,548   | n/a  | n/a   |

Notes:

- (1) *The value of vested Options has been calculated using the closing price of the Common Shares on the TSX on the dates on which Options vested during the year ended December 31, 2021 and subtracting the exercise price of in-the-money Options.*

### **DIRECTOR COMPENSATION**

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

### **Director Compensation Table**

As at the date of this Information Circular, each non-executive director is paid a retainer of \$30,000 per year, in addition to the following:

| <b>Role</b>   | <b>Additional Annual Fees Earned (\$)</b> |
|---|---|
| Non-executive Chair of the Board  | 10,000                                    |
| Lead Director   | 5,000                                     |
| Chair of the Audit Committee  | 10,000                                    |
| Chair of the Compensation Committee   | 5,000                                     |
| Chair of the Corporate Governance and Nominating Committee (the “CG&N Committee”)   | 5,000                                     |
| Non-chair Members of the Audit Committee, Compensation Committee and CG&N Committee | 1,000                                     |

The following table sets forth the compensation provided to each non-executive director during the year ended December 31, 2021:



| Name                              | Fees Earned (\$) <sup>(1)</sup> | Share-based awards (\$) | Option-based Awards <sup>(2)</sup> (\$) | Pension value (\$) | All Other Compensation (\$) | Total (\$) |
|-----------------------------------|---------------------------------|-------------------------|---|--------------------|-----------------------------|------------|
| Lukas H. Lundin <sup>(3)</sup>    | 20,833                          | Nil                     | 95,869                                  | Nil                | Nil                         | 116,702    |
| Alessandro Bitelli <sup>(4)</sup> | 31,639                          | Nil                     | 95,869                                  | Nil                | Nil                         | 127,508    |
| Erin Johnston <sup>(5)</sup>      | 26,178                          | Nil                     | 95,869                                  | Nil                | Nil                         | 122,047    |
| Carmel Daniele <sup>(6)</sup>     | 23,667                          | Nil                     | 95,869                                  | Nil                | Nil                         | 119,536    |
| Adam Lundin <sup>(7)</sup>        | 26,936                          | Nil                     | 95,869                                  | Nil                | Nil                         | 122,805    |
| Wojtek Wodzicki <sup>(8)</sup>    | 26,083                          | Nil                     | 95,869                                  | Nil                | Nil                         | 121,952    |
| Philip Brumit Sr. <sup>(9)</sup>  | 6,668                           | Nil                     | 94,736                                  | Nil                | 22,174 <sup>(10)</sup>      | 123,578    |

Notes:

<sup>(1)</sup> The annual directors' fees are prorated to reflect the term of the directorship, as applicable.

<sup>(2)</sup> The Corporation used the Black-Scholes option pricing model for determining the fair value of Options issued at grant date and is consistent with the determinations used for financial statement purposes. The Corporation selected the Black-Scholes model given its prevalence of use within North America. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the Options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized. The Black-Scholes option pricing model incorporates the following assumptions, which have been calculated and presented on a weighted average basis for the Options issued to non-executive directors during the year ended December 31, 2021:

|                                 |           |
|---------------------------------|-----------|
| Average risk-free interest rate | 0.77%     |
| Expected stock price volatility | 60.94%    |
| Expected life                   | 4.0 years |
| Expected dividend yield         | ---       |
| Fair value per option granted   | \$4.36    |

<sup>(3)</sup> Represents fees paid for the period January 1, 2021 to November 30, 2021. Mr. Lukas Lundin waived his entitlement to fees effective December 1, 2021. Mr. Lukas Lundin is not standing for re-election at the Meeting.

<sup>(4)</sup> Fees earned include additional fees for service as the Lead Director starting September 27, 2021, the Chair of the Audit Committee, and a member of the Compensation Committee.

<sup>(5)</sup> Fees earned include additional fees for service as the Chair of the CG&N Committee, and as a member of the Compensation Committee and a member of the Audit Committee starting October 1, 2021.

<sup>(6)</sup> Fees earned include additional fees for service as a member of the Audit Committee.

<sup>(7)</sup> Fees earned include additional fees for service as the Chair of the Board, and as a member of the Compensation Committee until September 26, 2021 and a member of the CG&N Committee until November 11, 2021.

<sup>(8)</sup> Fees earned include additional fees for service as the Chair of the Compensation Committee, and as a member of the CG&N Committee and a member of the Audit Committee until September 30, 2021.

<sup>(9)</sup> Mr. Brumit Sr. was appointed to the Board on October 19, 2021. Fees earned include additional fees for service as a member of the CG&N Committee starting November 12, 2021.

<sup>(10)</sup> Prior to his appointment to the Board, the Corporation engaged Mr. Brumit Sr. for the provision of technical consultation services and paid US dollar fees to Mr. Brumit Sr. having a Canadian dollar equivalent of \$22,174.

### **Outstanding Option-Based Awards**

The following table sets forth for each non-executive director the Options outstanding pursuant to the Plan as at December 31, 2021, including awards granted before the most recently completed financial year. The Corporation does not grant any share-based awards.

| Name               | Number of Securities Underlying Unexercised Options (#) and percentage of class | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-money Options (\$) <sup>(1)</sup> |               |
|--------------------|---|----------------------------|------------------------|---|---------------|
|                    |   |                            |                        | Exercisable   | Unexercisable |
| Alessandro Bitelli | 23,000 <sup>(2)</sup>   | 8.95                       | Aug. 18, 2026          | 29,288  | 58,572        |
|                    | 75,000 <sup>(3)</sup>   | 1.91                       | Aug. 17, 2025          | 543,000   | 271,500       |
|                    | 110,000 <sup>(4)</sup>  | 2.75                       | Oct. 11, 2024          | 1,102,200   | n/a           |
|                    | 110,000 <sup>(4)</sup>  | 2.20                       | Aug. 14, 2023          | 1,162,700   | n/a           |
|                    | 50,000 <sup>(4)</sup>   | 2.50                       | Sep. 13, 2022          | 513,500   | n/a           |

| Name                       | Number of Securities Underlying Unexercised Options (#) and percentage of class | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-money Options (\$) <sup>(1)</sup> |         |
|----------------------------|---|----------------------------|------------------------|---|---------|
| Erin Johnston              | 23,000 <sup>(2)</sup>   | 8.95                       | Aug 18, 2026           | 29,288  | 58,572  |
|                            | 75,000 <sup>(3)</sup>   | 1.91                       | Aug. 17, 2025          | 543,000   | 271,500 |
|                            | 10,000 <sup>(4)</sup>   | 2.75                       | Oct. 11, 2024          | 100,200   | n/a     |
| Carmel Daniele             | 23,000 <sup>(2)</sup>   | 8.95                       | Aug. 18, 2026          | 29,288  | 58,572  |
|                            | 75,000 <sup>(3)</sup>   | 1.91                       | Aug. 17, 2025          | 543,000   | 271,500 |
| Adam Lundin <sup>(5)</sup> | 23,000 <sup>(2)</sup>   | 8.95                       | Aug. 18, 2026          | 29,288  | 58,572  |
|                            | 75,000 <sup>(3)</sup>   | 1.91                       | Aug. 17, 2025          | 543,000   | 271,500 |
|                            | 200,000 <sup>(4)</sup>  | 2.75                       | Oct. 11, 2024          | 2,004,000   | n/a     |
|                            | 425,000 <sup>(4)</sup>  | 2.20                       | Aug. 14, 2023          | 4,492,250   | n/a     |
|                            | 425,000 <sup>(4)</sup>  | 2.50                       | Sep. 13, 2022          | 4,364,750   | n/a     |
| Wojtek A. Wodzicki         | 23,000 <sup>(2)</sup>   | 8.95                       | Aug. 18, 2026          | 29,288  | 58,572  |
|                            | 75,000 <sup>(3)</sup>   | 1.91                       | Aug. 17, 2025          | 543,000   | 271,500 |
|                            | 110,000 <sup>(4)</sup>  | 2.75                       | Oct. 11, 2024          | 1,102,200   | n/a     |
|                            | 225,000 <sup>(4)</sup>  | 2.20                       | Aug. 14, 2023          | 2,378,250   | n/a     |
|                            | 200,000 <sup>(4)</sup>  | 2.50                       | Sep. 13, 2022          | 2,054,000   | n/a     |
| Phil Brumit Sr.            | 15,600 <sup>(2)</sup>   | 12.90                      | Aug. 18, 2026          | Nil   | Nil     |

**Notes:**

- <sup>(1)</sup> Calculated using the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of 2021) of \$12.77 and subtracting the exercise price of in-the-money Options. These Options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- <sup>(2)</sup> These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2021, one-third of these Options have vested. See "Incentive Plan Awards".
- <sup>(3)</sup> These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2020, two-thirds of these Options have vested. See "Incentive Plan Awards".
- <sup>(4)</sup> These Options vest over a two-year period, one-third immediately, one-third after twelve months and one-third after 24 months from the date of grant. As of December 31, 2021, all of these Options have vested. See "Incentive Plan Awards".
- <sup>(5)</sup> Mr. Adam Lundin was the Corporation's President and Chief Executive Officer up until September 16, 2019, and its Chief Executive Officer until June 18, 2020.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth for each non-executive director of the Corporation the value of all incentive plan awards vested during the year ended December 31, 2021. The Corporation does not grant any share-based awards.

| Name               | Option-based awards – Value vested during the year (\$) <sup>(1)</sup> | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|--------------------|--|--|--|
| Lukas H. Lundin    | 866,971  | n/a  | n/a  |
| Alessandro Bitelli | 403,913  | n/a  | n/a  |
| Erin Johnston      | 195,588  | n/a  | n/a  |
| Carmel Daniele     | 174,750  | n/a  | n/a  |
| Adam Lundin        | 591,413  | n/a  | n/a  |
| Wojtek A. Wodzicki | 403,913  | n/a  | n/a  |
| Phillip Brumit Sr. | Nil  | n/a  | n/a  |

**Notes:**

- <sup>(1)</sup> The value of vested Options has been calculated using the closing price of the Common Shares on the TSXV or the TSX, as the case may be, on the dates on which Options vested during the year ended December 31, 2021 and subtracting the exercise price of in-the-money Options.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

At no time during the Corporation's last completed financial year, or as of May 6, 2022, was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation, nor

any associate of any such director, executive officer or proposed management nominee of the Corporation, or any former director, executive officer or employee of the Corporation or any of its subsidiaries, indebted to the Corporation or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

#### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has purchased and maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of US\$40 million, against liabilities incurred by such persons as directors and officers of the Corporation and its subsidiaries, except where the liability relates to such person's failure to act honestly and in good faith with a view to the best interests of the Corporation. The annual premium paid during the year ended December 31, 2021, by the Corporation for this insurance in respect of the directors and officers as a group was approximately \$226,900. No premium for this insurance is paid by the individual directors and officers. The insurance contract underlying this insurance does not expose the Corporation to any liability in addition to the payment of the required premium.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of December 31, 2021, the Corporation's most recently completed fiscal year end:

| Plan Category   | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted-average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |
|---|--|--|--|
| Equity compensation plans approved by securityholders     | 6,237,598  | 3.47   | 5,266,696  |
| Equity compensation plans not approved by securityholders | n/a  | n/a  | n/a  |
| <b>Total</b>  | <b>6,237,598</b>   | <b>\$3.47</b>  | <b>5,266,696</b>   |

#### Awards Granted and Burn Rate

The total number of Options which may be granted to any one person under the Plan within any twelve month period shall not exceed 5% of the issued and outstanding Common Shares. In addition, the maximum number of Common Shares which may be reserved for issuance under Options granted to insiders (as a group) under the Plan, together with any other of the Corporation's previously established and outstanding stock option plans or grants, shall be 10% of the Common Shares. Accordingly, a maximum of 5,836,230 Options remain available for grant to insiders (representing 4.8% of the outstanding Common Shares).

As at December 31, 2021, there were Options to purchase 6,237,598 Common Shares outstanding (representing approximately 5.4% of the issued and outstanding Common Shares) and 5,266,696 Common Shares were available for future Option awards (representing approximately 4.6% of the issued and outstanding Common Shares). As at the date of this Information Circular, there are Options to purchase 6,308,931 Common Shares outstanding (representing approximately 5.2% of the issued and outstanding Common Shares) and 5,836,230 Common Shares are available for future Option awards (representing approximately 4.8% of the issued and outstanding Common Shares).

In accordance with the requirements of the TSX, the following table summarizes the number of security-based compensation awards granted to all of the Corporation's directors, officers and employees during the periods noted below and the annual burn rate of each security-based compensation arrangement.

|                   | Weighted Average<br>Shares Outstanding <sup>(1)</sup> | Stock Options |                          |
|-------------------|---|---------------|--------------------------|
|                   |   | Granted       | Burn Rate <sup>(2)</sup> |
| December 31, 2021 | 112,765,794   | 1,082,600     | 0.96%                    |
| December 31, 2020 | 97,769,050  | 1,450,000     | 1.48%                    |
| December 31, 2019 | 78,215,358  | 2,395,000     | 3.06%                    |

Notes:

- <sup>(1)</sup> Pursuant to the requirements of the TSX, the weighted average number of Common Shares outstanding during the period is the number of Common Shares outstanding at the beginning of the period, adjusted by the number of Common Shares bought back or issued during the period, multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the period.
- <sup>(2)</sup> The burn rate for a given period is calculated by dividing the number of awards granted during such period by the weighted number of Common Shares outstanding during such period.

## **CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires reporting issuers to disclose the corporate governance practices on an annual basis. This section describes the Corporation’s corporate governance practices with reference to NI 58-101 and to National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**” and together with NI 58-101, the “**Governance Guidelines**”), which have been prepared by the Corporate Governance and Nominating Committee and approved by the Board. The Corporate Governance and Nominating Committee is currently comprised of Erin Johnston (Chair), Wojtek Wodzicki and Philip Brumit. The Corporation has reviewed its own corporate governance practices in light of the Governance Guidelines and discloses its corporate governance practices as follows.

The Board recognizes the importance of corporate governance to the effective management of the Corporation and to the protection of its employees, stakeholders, and Shareholders. The Corporation’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed with a view to meeting corporate objectives and enhancing stakeholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Corporation’s affairs and in light of opportunities or risks which may arise. In addition, the Board has adopted mandates and policies with a goal of attaining the best governance framework for a corporation of its size and stage of development.

The Corporation is a reporting issuer in all the provinces of Canada. The Common Shares are listed on the TSX and on Nasdaq Stockholm under the symbol "FIL" and the Common Shares also trade on the OTCQB Market under the symbol "FILMMF". Nasdaq Stockholm in Sweden has also established rules of corporate governance (the “**Swedish Code**”), but because the TSX is the Corporation’s primary exchange, the Corporation’s governance practices follow the Governance Guidelines. A summary of the differences between the governance regime in Sweden (including the Swedish Code requirements) and the Governance Guidelines is available on the Corporation’s website at [www.filomining.com](http://www.filomining.com).

The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation’s approach to corporate governance issues and has primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee, among other things, oversees the effective functioning of the Board and oversees the relationship between the Board and Management. The Corporate Governance and Nominating Committee has been mandated to annually review and make recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the contribution of individual directors. The Corporate Governance and Nominating Committee is required to meet at least annually and to report to the Board following its meetings. The Corporate Governance and Nominating Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. The Board is responsible for determining whether a director nominee is independent and relies on the criteria set by the Canadian Securities Administrators pursuant NI 52-110 and NP 58-201.

With the assistance of the Corporation's Corporate Governance and Nominating Committee, the Board has considered the relationship to the Corporation of each of the director nominees and has determined that four of the eight director nominees are considered to be independent. The independent directors of the Board are Alessandro Bitelli, Erin Johnston, Phillip S. Brumit, Sr. and Carmel Daniele. The non-independent directors of the Board are Adam I. Lundin, Jamie Beck, Wojtek A. Wodzicki and William Lundin. Mr. Adam Lundin and Dr. Wodzicki are not considered to be independent as they are both the former Chief Executive Officer and former President of the Corporation and held such positions within the past three years. Mr. James Beck is not considered to be independent as he is the President and Chief Executive Officer of the Corporation. Mr. William Lundin is not considered to be independent as he is an "immediate family member" of Mr. Adam Lundin, a former executive officer of the Corporation.

Although a majority of the Board is not independent, the Board believes that adequate structures and processes are in place to facilitate the functioning of the Board independently of Management for a number of reasons:

- Independent Lead Director – The Board has appointed Mr. Alessandro Bitelli, an independent director, as the Lead Director of the Board and has established a formal position description for the Lead Director. The role of the Lead Director is to facilitate the functioning of the Board independently of Management, while also acting as liaisons between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the President and CEO to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture. The Lead Director, together with the Corporation's Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Health, Safety, Environment and Community Committee and the other independent committees of the Board as may be appointed from time to time, enhance the Board's overall approach to corporate governance.
- Independent Committees – A majority of the Corporation's standing committees, namely, the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee are comprised of a majority of, and in the case of the Audit Committee entirely of, independent directors and have an opportunity to meet without Management at every committee meeting.
- Meetings without Management – Directors of the Corporation have an opportunity to meet without Management at every regularly scheduled Board and committee meeting. In addition, the Corporation's Audit Committee has an opportunity to meet with the external auditors without Management being present at every regularly scheduled Audit Committee meeting.
- Independent Directors' Meetings – Independent directors have the opportunity to meet without the non-independent directors being present at every regularly scheduled Board meeting. During the year ended December 31, 2021: i) the Corporation's directors held a total of four private sessions without Management being present; and ii) the Corporation's independent directors held four private session without Management and non-independent directors being present.
- Ability to Engage Advisors – Individual directors and committees of the Board may, in appropriate circumstances and with the authorization of either the Chair or applicable committee, engage independent advisors at the expense of the Corporation.

### **Participation of Directors in Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided above under "Election of Directors" in this Information Circular. At this time, the Board has not adopted a policy limiting the number of positions on other boards that its directors may hold. Rather, the Board has determined that directors are in the best position to assess the demands of each board seat that they hold.

### **Attendance Record**

The Board meets a minimum of four times per year. Typically, each committee of the Board meets at least once or twice a year with the exception of the Corporation's Audit Committee which meets a minimum of four times

per year. The table below sets out the attendance of the director nominees for the respective Board meetings and standing committee meetings that each director nominee was eligible to attend during the period from January 1, 2021 to December 31, 2021.

| Director                           | Board<br>(4 meetings) |                  | Audit<br>(4 meetings) |                  | Compensation<br>(2 meetings) |                  | Corporate Governance<br>and Nominating<br>(2 meeting) |                  |
|------------------------------------|-----------------------|------------------|-----------------------|------------------|------------------------------|------------------|---|------------------|
|                                    | No.                   | % <sup>(1)</sup> | No.                   | % <sup>(1)</sup> | No.                          | % <sup>(1)</sup> | No.   | % <sup>(1)</sup> |
| Lukas H. Lundin                    | 4                     | 100              | X                     | X                | X                            | X                | 2   | 100              |
| Wojtek Wodzicki                    | 4                     | 100              | X                     | X                | 2                            | 100              | 2   | 100              |
| James Beck                         | 4                     | 100              | X                     | X                | X                            | X                | X   | X                |
| Alessandro Bitelli                 | 4                     | 100              | 4                     | 100              | 2                            | 100              | X   | X                |
| Carmel Daniele                     | 4                     | 100              | 4                     | 100              | X                            | X                | X   | X                |
| Adam I. Lundin                     | 4                     | 100              | X                     | X                | X                            | X                | 2   | 100              |
| Erin Johnston                      | 4                     | 100              | 4                     | 100              | 2                            | 100              | X   | X                |
| Phillip Brumit, Sr. <sup>(2)</sup> | 1                     | 100              | X                     | X                | X                            | X                | 1   | 100              |

Notes:

<sup>(1)</sup> The percentage indicated is based on the number of meetings to which the director was entitled to attend.

<sup>(2)</sup> Mr. Brumit, Sr. was appointed to the Board on October 19, 2021.

### **Assessments**

The Board has implemented an assessment process, which includes regular evaluations of the Board, committees of the Board and individual director assessments. The Corporation's Corporate Governance and Nominating Committee, comprised of a majority of independent directors, is responsible for overseeing the annual assessment process in order to ensure that the Board, its committees and individual directors are functioning properly and that individual board members have the appropriate skills and characteristics required in the context of the make-up of the Board as a whole. In addition, the annual assessment process provides a mechanism for Board renewal. In overseeing the annual assessment process, the Corporate Governance and Nominating Committee prepares and delivers an annual Board Effectiveness Assessment questionnaire to each member of the Board for completion. The questionnaire is divided into four parts dealing with board responsibility, board operations, board effectiveness and individual assessment. The Corporate Governance and Nominating Committee reviews and considers the responses received and makes a final report, with recommendations, if any, to the Board.

### **Mandate for the Board of Directors**

The Board has adopted a Mandate for the Board of Directors, which lists specific responsibilities including, but not limited to, the following:

- review and approve the strategic direction of the Corporation;
- supervise Management to oversee that the long-term operational, financial, and responsible mining goals and organizational structure enhance and preserve the business of the Corporation and the underlying value of the Corporation;
- monitor financial performance and other financial reporting matters;
- identify risks of the Corporation's business and ensure implementation of appropriate risk management systems;
- develop, review and approve material policies and procedures of the Corporation and monitor their compliance; and
- review and approve the Corporation's communication with external stakeholders. The Board discharges its responsibilities either directly or through its committees.

The full text of the Mandate of the Board of Director's is attached as Schedule "A" and can also be found on the Corporation's website at [www.filomining.com](http://www.filomining.com).



## **Other Board Committees**

### **Audit Committee**

The Corporation's Audit Committee assists the Board in matters relating to external auditors and the external audit process, financial reporting and public communication, risk management, security, and certain other key financial matters. In fulfilling its role, the Audit Committee monitors the effectiveness and integrity of the Corporation's financial reporting, management information and internal control systems. The Audit Committee also oversees and annually reviews the Corporation's Whistleblower Policy.

The Audit Committee reviews and approves, with Management and external auditors, significant financial reporting issues, the conduct and results of the annual audit, and significant finance, accounting and disclosure policies and other financial matters. The Audit Committee also oversees the financial reporting processes of the Corporation, by reviewing the Corporation's interim and annual financial statements, including management's discussion and analysis thereof.

The Audit Committee plays a key role in relation to the Corporation's external auditors. It initiates and recommends their engagement or termination and monitors and reviews their independence, effectiveness, performance and quality control processes and procedures. The Audit Committee pre-approves all non-audit services provided by the Corporation's external auditors.

Under NI 52-110, companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in the AIF. The AIF is available on the Corporation's website at [www.filomining.com](http://www.filomining.com) and is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained free of charge by sending a written request to the Corporate Secretary at the Corporation's head office located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

### **Compensation Committee**

The Corporation's Compensation Committee is responsible for implementing and overseeing the Corporation's compensation policies and programs. See "Statement of Executive Compensation" for a description of the role and membership of the Compensation Committee.

### **Corporate Governance and Nominating Committee**

The Corporation's Corporate Governance and Nominating Committee and its Health, Safety, Environment and Sustainability Working Group is responsible for developing and monitoring the Corporation's approach to corporate governance issues, including:

- assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors;
- ensuring that structures and procedures are in place to ensure that the Board can function independently of Management and to facilitate open and candid discussion among its independent directors;
- reviewing the size of the Board, with a view to determining the impact of the number of directors upon effectiveness, and making recommendations where appropriate as to any programs the Committee determines to be appropriate to reduce or increase the number of directors to a number which facilitates more effective decision making;
- identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders; and
- developing, with the assistance of Management, an orientation and education program for new recruits to the Board, where necessary;
- reviewing and assessing the effectiveness of the Corporation's programs, policies and standards related to worker health and safety, environmental matters including water, biodiversity, waste and air quality management; emergency response plans; emissions and climate change; community and Indigenous People's engagement; diversity and human rights and related matters (collectively "Sustainability Matters");

- reviewing the Corporation’s performance and monitoring compliance of safety and Sustainability Matters; and;
- reviewing Management’s assessment of emerging trends and regulations related to safety and Sustainability Matters and their impact on the Corporation.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation has not adopted term limits for the directors on its Board at this time. Term limits are not considered necessary, as the Board believes that the assessment process described above provides a mechanism to promote Board renewal. The following sets out the current tenure as of the date of this Information Circular for the eight director nominees:

| <b>Tenure</b>              | <b>Name of Nominee(s)</b>  | <b>Number of Directors</b> |
|----------------------------|--|----------------------------|
| Between one and five years | Adam I. Lundin, James Beck, Erin Johnston, Carmel Daniele, Phillip Brumit, Sr. | Five                       |
| Between five and ten years | Alessandro Bitelli, Wojtek Wodzicki  | Two                        |

### **Position Descriptions**

The Board has adopted written position descriptions for Individual Directors, the Chair and Lead Director, the Chair of a Board committee, and for the President and CEO.

### **Orientation and Continuing Education**

The Corporation’s Corporate Governance and Nominating Committee is responsible for ensuring that new directors are provided with an orientation package that includes, among other things, information about the duties and obligations of directors, the business and operations of the Corporation, and documents from recent Board meetings. Also included in the Corporate Governance and Nomination Committee mandate is the requirement to develop, with the assistance of Management, an orientation and education program for new recruits to the Board and for the development of individual directors on an ongoing basis. The following are key elements of the Corporation’s orientation and continuing education program for directors:

- Management Presentations – At all regularly scheduled Board meetings, Management prepares and provides reports, updates and other relevant information to directors with respect to the business and operations of the Corporation. Management and the Corporation’s outside legal counsel may also provide directors with summary updates of developments relating to the duties and responsibilities of directors and corporate governance matters. In addition, Management ensures that the Audit Committee and the board is regularly apprised of all relevant developments and issues related to the financial affairs of the Corporation. Directors have full access to officers and employees of the Corporation and may arrange meetings either directly or through the President and CEO.
- Board Portal - All directors are provided with a comprehensive Board orientation manual through an on-line board portal, which includes board and committee mandates, board and CEO position descriptions, corporate policies, the Corporation’s constating documents and other corporate information. The secure on-line board portal is also used to provide all meeting materials to the Corporation’s board and committees, allowing the Corporation to hold effective paperless meetings. The board portal also includes industry information, regulatory and governance updates, and other information relative to the Corporation and its business. The Board Portal is available to directors twenty-four-hours a day, seven days per week and can be accessed by directors wherever there is internet access.
- Third-Party Presentations – When requested or appropriate, third-party service providers may deliver topical presentations to the Board or a Committee of the Board, from time to time. In addition, the Corporation’s external auditor provides educational information to the Audit Committee on a regular basis with respect to International Financial Reporting Standards, including updates and/or new accounting policies that may impact Corporation.



- Site Visits - New and existing Board members are given the opportunity to conduct periodic site visits to the Corporation's operations and projects in South America. Due to the ongoing COVID-19 pandemic, no site visits were scheduled during fiscal 2021.
- Educational Conferences and Seminars - All directors are encouraged to pursue educational opportunities as appropriate to enable them to perform their duties as directors. The Corporation will consider making available appropriate funding to directors to attend seminars or conferences relevant to their position as directors and/or committee members of the Board of the Corporation.

### **Ethical Business Conduct**

As part of its commitment to best practices and as part of the Corporation's corporate governance framework, the Board has implemented certain corporate governance policies and procedures, which are designed to encourage ethical behavior by all of the Corporation's directors, officers, employees and others conducting business with the Corporation. This governance framework includes a Code of Business Conduct and Ethics, a Corporate Disclosure Policy, a Whistleblower Policy, Responsible Mining Development Policy and an Anti-Bribery and Anti-Corruption Policy.

### **Code of Business Conduct and Ethics Policy**

The Corporation is committed to conducting its business in compliance with applicable laws and with the highest ethical standards and has adopted a Code of Business Conduct and Ethics policy (the "Code"), whereby acting with integrity, honesty and in good faith with respect to what is in the best interests of the Corporation's stakeholders is fundamental to the Corporation's reputation and ongoing success. The Corporation is committed to sustainable growth within the parameters of ensuring the safety and well-being of its employees, protecting the environment, and supporting the communities in which it operates. The directors, officers and employees of the Corporation must be committed to upholding these responsibilities in all facets of the Corporation's day-to-day operations and the Corporation expects them to comply and act in accordance with the Code. The Corporation also requires that its agents, contractors, consultants and suppliers comply with the Code in their relations with the Corporation as a condition of doing business with the Corporation. A copy of the Code is available for review under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and is also available on the Corporation's web site at [www.filomining.com](http://www.filomining.com).

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are familiar with the Corporation's Code. The Code promotes the avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.

The Board has not granted any waiver of the Code in favour of a director or NEO during the year ended December 31, 2021.

### **Corporate Disclosure Policy**

The Corporation has established a Corporate Disclosure Policy (the "Corporate Disclosure Policy") to ensure a consistent approach to the Corporation's disclosure practices throughout the Corporation and to ensure that communications to the investing public about the Corporation are timely, factual, complete and accurate. The Corporate Disclosure Policy also sets out the internal control structures that have been established to effectively manage the dissemination of material information, confidentiality and the Corporation's procedures relating to restrictions on the trading of the Corporation's securities.

### **Whistleblower Policy**

The Corporation has established a Whistleblower Policy (the "Whistleblower Policy") which sets out the procedures for the receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, as well as other corporate misconduct and breaches of the Corporation's policies. The Whistleblower Policy also encourages employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from

discrimination, retaliation or harassment. A copy of the Whistleblower Policy is available on the Corporation's web site at [www.filomining.com](http://www.filomining.com).

### **Anti-Bribery and Anti-Corruption Policy**

The Corporation has established an anti-bribery and anti-corruption policy which reiterates the Corporation's commitment to compliance by the Corporation and its officers, directors, employees and agents with Canada's Corruption of Foreign Public Officials Act and any other anti-bribery or anti-corruption laws that may be applicable. The Anti-Bribery and Anti-Corruption Policy outlines the requirements that must be fulfilled when dealing with public officials and includes prohibitions against bribing public officials, making facilitation payments and commercial bribery, and also provides employees with clarity regarding: books and records transparency; giving gifts; making charitable contributions; third party oversight and due diligence; internal controls; and Management's responsibility to promote an ethical tone from the top. A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Corporation's web site at [www.filomining.com](http://www.filomining.com).

### **The Responsible Mining Development Policy**

The Corporation has established a Responsible Mining Development Policy (the "Responsible Mining Policy") which covers environmental, social and governance commitments and demonstrates the Corporation's dedication to responsible and sustainable mining development. The Responsible Mining Policy outlines the Corporation's commitment to minimize the environmental and social impacts of its exploration and development activities and to conduct all of its operations and activities in a responsible and environmentally sustainable manner. In addition, the Responsible Mining Policy outlines the Corporation's commitment to making its workplaces safe, secure and healthy for all of its employees and others and prohibits abusive or harassing conduct by its employees toward others, such as sexual advances, comments based on gender, ethnicity, religion or race or other non-business, personal comments or conduct that makes others uncomfortable in their employment with the Corporation. A copy of the Responsible Mining Policy is available on the Corporation's web site at [www.filomining.com](http://www.filomining.com).

### **Shareholder Communications**

The Board has put structures in place to ensure effective communication between the Corporation, its Shareholders and the public. The Corporation has established an investor relations procedure whereby most Shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant Shareholder concerns are brought to the attention of Management or the Board. Shareholders are informed of developments in the Corporation by the issuance of timely press releases, which are concurrently posted to the Corporation's website at [www.filomining.com](http://www.filomining.com) and are filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Board monitors the policies and procedures that are in place to provide for effective communication by the Corporation with its Shareholders and with the public generally, including effective means to enable Shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Corporation with Shareholders, governments and the public generally.

### **Diversity Policy**

The Corporation has adopted a Diversity Policy (the "Diversity Policy") with regard to gender, ethnicity, race, age, culture, religion, geography, and nationality, including diversity with respect to the representation of Designated Groups (as defined below).

The Corporate Governance and Nominating Committee recognizes the benefits of a diversity of views on the Board, achieved through a diversity of knowledge, skills, competencies, experiences, race, gender, ethnicity, age, and culture. The Board, as currently comprised, includes a diversity of skills and experience in multiple areas, including mining, exploration, finance, law and engineering.

Recommendations concerning director nominees are, foremost, based on merit, qualifications, and performance, but diversity is also a consideration. Recognizing the benefits of diversity, where Board renewal or expansion of the Board is being considered, the Corporate Governance and Nominating Committee will place an emphasis on identifying qualified candidates and will prioritize gender diversity as well as others

diverse in ethnicity, race, age, and culture, within the context of the knowledge, skills, competencies and experiences the Board requires.

The Board also recognizes the potential benefits of diversity, at the level of executive management, having direct responsibility for the day-to-day management of the Corporation. While diverse individuals are evaluated, directors, executive officers and employees will be recruited and/or promoted based upon their merit, respective abilities and contributions. Currently none of the five executive management positions in the Corporation are held by women. While merit, qualifications and performance are fundamental considerations in recruitment and appointment, the Board considers the level of gender diversity, together with the level of overall diversity in the Corporation, in executive management when making or approving appointments.

The Corporation's commitment to diversity generally, including gender diversity in the workforce, permeates from the Board down to local sites of operations across the world. The Board acknowledges that having a diverse board and executive management structure may provide for improved employee retention and may better reflect the diversity of the communities the Corporation operates in.

### **Canada Business Corporations Act Requirements**

The provisions of Bill C-25 regarding diversity on boards of directors and among senior management, as well as the associated regulations, were approved by Order in Council of the Government of Canada. These provisions set out a requirement that all distributing corporations, as defined under CBCA, which the Corporation is, for all annual meetings held on or after January 1, 2020, shall report on the representation of, at minimum, the following four groups:

1. women;
2. Indigenous peoples (First Nations, Inuit and Métis);
3. persons with disabilities<sup>(1)</sup>; and
4. members of visible minorities<sup>(1)</sup> (collectively, know as the "Designated Group").

\*These terms are defined in the *Employment Equity Act* S.C. 1995, c. 44.

The Board currently has two women represented. If all nominees proposed for election at the Meeting are elected, there will continue to be two women on the Board, being 25% of the directors. The Corporation has four executive officers, of whom one is a person of a visible minority, being 25% of the executive officers. There are no other director nominees or executive officers who are part of the Designated Group.

### **Policies Regarding the Representation of Members of Designated Groups on the Board**

As noted above, the Corporation has established a Diversity Policy, which sets out guidelines by which the Corporation will endeavour to promote, foster and support diversity, such as gender diversity, throughout the Corporation. The Board will proactively monitor the Corporation's performance in meeting the standards outlined in the Diversity Policy. This will include an annual review of any diversity initiatives established by Management and the Board, and progress in achieving them.

### **Consideration of the Representation of Members of Designated Groups in the Director Identification and Selection Process**

Pursuant to the Diversity Policy, the Board will consider diversity, such as members of Designated Groups, in the selection criteria of new Board members. The Corporate Governance and Nominating Committee will follow its mandate and consider the diversity of the Board in its recommendations to the Board of nominees for election to the Board and long term plan for Board composition.

### **Consideration Given to the Representation of Members of Designated Groups in Executive Officer Appointments**

Pursuant to the Diversity Policy, the Board will consider diversity, such as members of designated groups, in the selection criteria of new executive officer appointments. Management is responsible for recruiting and fostering a diverse and inclusive culture. Management will promote a work environment that values and utilizes the contributions of all genders and of members of Designated Groups equally, with a variety of

backgrounds, experiences and perspectives through awareness of the benefits of workforce diversity and successful management of diversity.

### **Targets and Number of Members of Designated Groups on the Board and in Executive Officer Positions**

The Corporation adopted a target providing that the Board should be comprised of at least 30% women by the Corporation's annual general meeting in 2025. The Corporation has not established targets regarding the representation of women in executive officer positions or directors or executive officers in respect of any of the other Designated Groups at this time. Further to its Diversity Policy, the Corporation will continue to consider appropriate methods of achieving enhanced diversity at the Board level, including without limitation, considering setting targets, and making recommendations related thereto for consideration and approval of the Board, with respect to the diversity of the Board and executive officer positions as and when determined appropriate given the size and stage of the Corporation.

### **MANAGEMENT CONTRACTS**

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

The Corporation has a cost sharing arrangement with Josemaria and NGEx Minerals. Under the terms of the Services Agreement, Josemaria, NGEx Minerals and the Corporation provide each other with the Services. In consideration of the Services, the Corporation may pay Josemaria and NGEx Minerals a monthly fee as reimbursement for the Services.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No director or executive officers of the Corporation, nor any Nominee, nor any associate or affiliate of any of them has, since January 1, 2021 (being the commencement of the Corporation's last completed financial year), any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

### **OTHER BUSINESS**

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

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on the Corporation's website at [www.filo-mining.com](http://www.filo-mining.com) and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2021 and related management's discussion and analysis ("MD&A") as well as other prescribed documents are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation will provide, without charge to a Shareholder, a copy of the annual financial statements and annual MD&A for the period ended December 31, 2021, interim financial statements for subsequent periods, and this Information Circular upon request to the Corporation as follows:

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

## DIRECTORS' APPROVAL

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

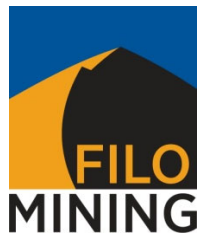
**DATED** at Vancouver, British Columbia the 6th day of May, 2022.

### **BY ORDER OF THE BOARD**

*/s/ "James Beck"*

James Beck

President & Chief Executive Officer



**SCHEDULE "A"**  
**MANDATE FOR THE BOARD OF DIRECTORS**

**FILO MINING CORP.**  
**(the "Corporation")**  
**MANDATE FOR THE BOARD OF DIRECTORS**

(adopted by the Board of Directors of the Corporation (the "Board") on August 3, 2016,  
amended November 12, 2020 and September 27, 2021)

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**1. Purpose**

1.1 The directors of the Corporation are elected by the shareholders and are responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to oversee that the long-term operational and financial goals and organizational structure enhance and preserve the business of the Corporation and the underlying value of the Corporation.

**2. Duties of Directors**

2.1 The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following categories:

**3. Appointment of Management**

- 3.1 The Board is responsible for approving the appointment of the Chief Executive Officer and other senior officers of the Corporation. The Compensation Committee is responsible for reviewing and making recommendations with respect to the compensation of the Chief Executive Officer and the other executive officers of the Corporation.
- 3.2 The Board is responsible for reviewing the performance of the Chief Executive Officer of the Corporation and for reviewing and approving the compensation of the Chief Executive Officer.
- 3.3 The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer and other members of senior management and that the Chief Executive Officer and other senior management create a culture of integrity throughout the organization.
- 3.4 The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
- 3.5 The Board oversees that succession planning programs are in place, including the appointment and monitoring of senior management. The Board is responsible for approving succession plans for the Chief Executive Officer and for reviewing and approving the succession plans for the other senior management of the Corporation.

**4. Board Organization**

- 4.1 The Board will respond to recommendations received from the Corporate Governance and Nominating Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee appointments and committee mandates.
- 4.2 The Board may delegate to Board committees matters the Board is responsible for, including the



approval of compensation matters relating to the Board, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

## **5. Strategic Planning**

- 5.1 The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing and approving the business objectives and goals of the Corporation.
- 5.2 The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals, which strategic plans take into account, among other things, the opportunities and risks of the Corporation's business.
- 5.3 The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
- 5.4 The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

## **6. Monitoring of Financial Performance and Other Financial Reporting Matters**

- 6.1 The Board is responsible for enhancing congruence between shareholder expectations, corporate objectives and management performance.
- 6.2 The Board is responsible for:
  - (i) monitoring the Corporation's progress toward its strategic and operational goals, and to revise its direction to management in light of changing circumstances affecting the Corporation; and
  - (ii) taking action when Corporation performance falls short of its goals, or when other special circumstances warrant.
- 6.3 The Board is responsible for reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements, as well as the Corporation's Annual Information Form and Management Information Circular.
- 6.4 The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets and material expenditures.

## **7. Risk Management**

- 7.1 The Board is responsible for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

## **8. Environmental, Social and Health & Safety Oversight**

- 8.1 The Board is responsible for ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws.
- 8.2 The Board is responsible for reviewing the Corporation's performance with respect to Environmental Social Governance, and Health and Safety matters, including the Board's oversight of the Corporation's climate-related risks and opportunities.

## **9. Policies and Procedures**

- 9.1 The Board is responsible for:
  - (i) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated; and
  - (ii) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.
- 9.2 The Board shall enforce its policy respecting confidential treatment of the Corporation's proprietary information and the confidentiality of Board deliberations.

## **10. Training and Monitoring**

10.1 The Board is responsible for:

- (i) ensuring that adequate provisions have been made to train, develop and compensate management and to ensure that all new directors receive a comprehensive orientation, fully understand the role of the Board and its committees, the nature and operation of the Corporation's business and the contribution that individual directors are required to make;
- (ii) setting out expectations and responsibilities of directors including attendance at meetings and review of meeting materials; and
- (iii) making regular assessments of itself, its committees and each individual director's effectiveness and contribution.

## **11. Communications and Reporting**

11.1 The Board will review from time to time as circumstances warrant the Corporation's corporate disclosure procedures to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Corporation is conducted.

11.2 The Board is responsible for:

- (i) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- (ii) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
- (iii) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (iv) reporting annually to shareholders on its stewardship for the preceding year;
- (v) overseeing the Corporation's implementation of systems to accommodate feedback from shareholders; and
- (vi) developing the Corporation's approach to corporate governance and developing a set of corporate governance principles and guidelines.

## **12. Independence**

12.1 The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including aiming to have a majority of independent directors as well as an independent Chair or an independent Lead Director, as the term "independent" is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.



## SCHEDULE "B" STOCK OPTION PLAN SUMMARY

At the Meeting, Shareholders are being asked to approve certain amendments to the Plan, as detailed in the Information Circular. The following provides a summary of the Plan prior to any such amendments being made.

The Plan was adopted by the Board on July 8, 2016, as amended May 12, 2017 and approved by the Shareholders on June 14, 2018. The Plan is a rolling stock option plan which sets the number of Options available for grant by the Corporation at an amount equal to 10% of the issued and outstanding Common Shares from time to time.

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

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

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

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

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

price of unexercised Options under the Plan, (ii) the number and kind of shares or other securities reserved for issuance pursuant to the Plan, or (iii) the number and kind of shares subject to unexercised Options under the Plan. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

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

If a participant ceases to be an Eligible Person for any reason, other than death and cause, and including, but not limited to, being terminated without cause, Options held will cease to be exercisable 90 days after such termination date or any such longer period as determined by the Board, provided that in no event shall such longer period extend beyond one year from the date of termination. If such person ceases to be an Eligible Person due to termination for cause, the Options shall cease to be exercisable immediately. If a participant dies, the legal representative of such participant may exercise the Options within a period after the date of the participant’s death determined by the Board, provided that no Options shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months after the date of death, but only to the extent the Options were exercisable on the date of death. The Options are non-assignable and non-transferrable.

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

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

- (ix) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing Shareholders.

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

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

**EXHIBIT "A" TO SCHEDULE "B"**  
Stock Option Plan with the Plan Amendments  
See attached.



**FILO MINING CORP.**  
**(the “Corporation”)**

**SHARE OPTION PLAN**

**(Adopted by the Board on July 8, 2016, as amended May 12, 2017 and May 6, 2022)**

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**ARTICLE 1**

**GENERAL**

**1.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and (v) attracting individuals to become Employees, officers, Directors and Consultants to the Corporation or its Affiliates.

**1.2 Administration**

- (a) This Plan will be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than 3 Directors. If a committee is appointed for this purpose, all references to the term “Board” will be deemed to be references to the committee.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board’s guidelines, rules, interpretations and determinations will be conclusive and binding upon all parties.

**1.3 Interpretation**

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

- (a) **“Affiliate”** means an affiliate of the Corporation within the meaning of Section 1.3 of National Instrument 45-106 – *Prospectus Exemptions*, as may be amended or replaced from time to time (**“NI 45-106”**);
- (b) **“Associate”** where used to indicate a relationship with any person or company, means: (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom

that person is married or with whom that person is living in a conjugal relationship outside marriage; or (vi) any relative of a person mentioned in clause (v) who has the same home as that person;

- (c) **“Board”** means the Board of Directors of the Corporation or any committee of the Board of Directors to which the duties of the Board of Directors hereunder are delegated;
- (d) **“Change of Control”** means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a majority-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an **“Acquiror”**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 40% or more of the votes attached to all of the Corporation’s outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors), unless a majority of the Board as constituted immediately prior to the time that such person, entity or group of persons or entities acting jointly or in concert becomes the Acquiror determines that the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;
  - (v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
  - (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, **“Voting Securities”** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the

election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- (e) **“Consultant”** means, in relation to a Corporation, an individual (other than an Employee or a Director of the Corporation) that:
  - (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution, for a period of at least 12 months;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Corporation, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
  - (iv) who otherwise qualifies as a “consultant” under section 2.22 of NI 45-106;
- (f) **“Corporation”** means Filo Mining Corp. and includes any successor thereto;
- (g) **“Director”** means any person holding the position of a director of the Corporation or a subsidiary;
- (h) **“Eligible Person”** means, subject to the terms hereof and to all applicable law, any Employee, officer, Director, or Consultant of the Corporation or any Affiliate thereof;
- (i) **“Employee”** means any individual regularly employed on a full-time or part-time basis by the Corporation or Affiliate;
- (j) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with Section 2.3;
- (k) **“Holding Company”** means a holding company wholly owned and controlled by an Eligible Person;
- (l) **“Insider”** means “reporting insider” as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;
- (m) **“Option”** means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;
- (n) **“Optionee”** shall mean an Eligible Person to whom or to whose RRSP or to whose Holding Company an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;
- (o) **“Plan”** means this Share Option Plan of the Corporation, as it may be amended from time to time;

- (p) “**RRSP**” means a registered retirement savings plan as defined in the *Income Tax Act* (Canada);
- (q) “**Shares**” means the common shares in the capital of the Corporation;
- (r) “**subsidiary**” means a corporation which is a subsidiary of the Corporation as defined under the *Securities Act* (British Columbia);
- (s) “**Termination**” means: (i) in the case of an Employee, the termination of the employment of the Employee by the Corporation or an Affiliate or cessation of employment of the Employee with the Corporation or an Affiliate as a result of resignation; (ii) in the case of an officer or Director, the removal or resignation of, or failure to re-elect or re-appoint the individual as an officer or Director of the Corporation or an Affiliate; and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Corporation or an Affiliate;
- (t) “**Termination Date**” means the date on which an Optionee ceases to be an Eligible Person due to the Termination of the Optionee and shall not include any period of notice or payment in lieu of notice, severance or reasonable notice of termination, except to the extent required by minimum employment standards legislation, if applicable;
- (u) “**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and
- (v) “**TSX**” means the Toronto Stock Exchange.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Province of British Columbia.

#### **1.4 Shares Reserved under the Share Option Plan**

- (a) Subject to the approval of the TSX (as well as the approval of the shareholders of the Corporation of this Plan), Options may be granted in respect of authorized and unissued Shares provided that the maximum aggregate number of Shares which shall be reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options granted under this Plan shall not exceed 10% of the Shares then issued and outstanding. Any Shares subject to an Option which has been granted under the Plan and which have been cancelled or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan. No fractional Shares may be purchased or issued under the Plan.
- (b) The aggregate number of Shares reserved for issuance to Insiders pursuant to the Plan and all other security-based compensation arrangements of the Corporation shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Insiders pursuant to the exercise of Options, within a 12 month period, pursuant to the Plan and all other

security-based compensation arrangements of the Corporation shall not exceed 10% of the total number of Shares then outstanding.

- (c) The aggregate number of Options granted to any one person within a 12 month period, shall not exceed 5% of the total number of Shares then outstanding.
- (d) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or the exercise of the applicable Option.
- (e) For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of the Shares issuable under the Plan, and exercises of Options will make new grants available under the Plan.

## **ARTICLE 2**

### **OPTION GRANTS AND TERMS OF OPTIONS**

#### **2.1 Grants**

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Optionee's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person, an Eligible Person's RRSP and an Eligible Person's Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

#### **2.2 Exercise of Options**

- (a) Options granted must be exercised no later than 10 years after the date of grant or such lesser period as the applicable grant may require. In the event that any Option expires during, or within 48 hours after, a self imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth business day following the end of the blackout period.
- (b) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule.
- (c) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (d) A minimum of 100 Shares must be purchased by an Optionee upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Optionee totals less than 100.

## **2.3 Option Price**

- (a) The Board will establish the Exercise Price of an Option at the time each Option is granted provided that such price shall not be less than the closing price of the Shares on the TSX (or, if such Shares are not then listed and posted for trading on the TSX, on such other stock exchange on which the Shares are listed and posted for trading as may be selected by the Board) on the last business day immediately preceding the date of grant of such Option. If there is no trading on that date, the Exercise Price shall not be less than the greater of (i) the weighted average of the trading prices or (ii) the average daily high and low board lot trading prices, on the five consecutive trading days preceding the date of the grant. In the event the Shares are not listed on any exchange and do not trade on any dealing network, the Exercise Price will be determined by the Board.

## **2.4 Grant to Optionee's RRSP or Holding Company**

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

## **2.5 Termination or Death**

- (a) In the event of the Termination of an Optionee, by reason of dismissal without cause or voluntary termination by the Optionee, each Option held by the Optionee, the Optionee's RRSP or the Optionee's Holding Company will cease to be exercisable within a period of 90 days after the Termination Date, or such longer period as determined by the Board. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options and the Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer of the Corporation to make any determination with respect to the expiry or Termination Date of Options held by any departing Optionee, provided, however, that the Board may not extend the period for exercise beyond the original expiry date of the Option. If any portion of an Option has not vested on the Termination Date, the Optionee, the Optionee's RRSP or the Optionee's Holding Company may not, after the Termination Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President, and/or the Chief Financial Officer to make any determination with respect to vesting of Options or any portion thereof held by any departing Optionee.
- (b) In the event an Optionee is dismissed with just cause, each Option held by such Optionee, the Optionee's RRSP or the Optionee's Holding Company shall cease to be exercisable immediately upon the Termination Date.
- (c) If a Optionee dies, the legal representatives of the Optionee may exercise the Options held by the Optionee, the Optionee's RRSP and the Optionee's Holding Company within a period after the date of the Optionee's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date



of such Option; and (ii) 12 months following the date of death of the Optionee, but only to the extent the Options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer to make any determination with respect to the expiry or Termination Date of Options or vesting of Options or any portion thereof held by any deceased Optionee. If the legal representative of an Optionee who has died exercises the Option of the Optionee or the Optionee's RRSP or the Optionee's Holding Company in accordance with the terms of this Plan, the Corporation will have no obligation to issue the Shares until evidence satisfactory to the Corporation has been provided by the legal representative that the legal representative is entitled to act on behalf of the Optionee, the Optionee's RRSP or the Optionee's Holding Company to purchase the Shares under this Plan.

## **2.6 Option Agreements**

Each Option must be confirmed, and will be governed, by an agreement or certificate (an "**Option Agreement**") in the form of Schedule "A" (or such other form as may be determined by the Board from time to time, provided that such form is not contrary to the Plan or to TSX rules) signed by the Corporation and the Optionee or an RRSP of which the Optionee is an annuitant or the Optionee's Holding Company. Each Option Agreement shall, if the Optionee is an Employee, or a Consultant, contain a representation and warranty by the Corporation and such Optionee that such Optionee is a *bona fide* Employee, or Consultant, as the case may be, of the Corporation or an Affiliate. In the event of any discrepancy between this Plan and an Option Agreement, the provisions of this Plan shall govern.

## **2.7 Payment of Option Price**

The Exercise Price of each Share purchased under an Option plus such amount as may be required by applicable legislation for statutory withholdings as set out more fully in Section 2.11 hereof must be paid in full to the Corporation and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant Exercise Price and, if applicable, statutory withholdings to the Corporation.

## **2.8 Acceleration on Change of Control**

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. For greater certainty, upon a Change of Control, an Optionee shall not be treated any more favourably than holders of Shares with respect to the consideration that the Optionee would be entitled to receive for the Shares issuable upon exercise of their Options.

If the Optionee elects to exercise its Options following a Change of Control, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Shares which he was entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder would have been entitled to receive as a result of such Change of Control, on the effective date thereof, had the Optionee been the registered holder of the

number of Shares to which the Optionee was entitled to purchase upon exercise of such Options.

## **2.9 Amendment of Option Terms**

Subject to Section 3.5 hereof and the prior approval of any applicable regulatory authorities (as required) and the consent of the Optionee affected thereby, and without further shareholder approval, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable.

## **2.10 Statutory Withholdings**

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other source deductions is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option or, alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to an Optionee by the Corporation, whether or not such amounts are payable under the Plan.

# **ARTICLE 3**

## **MISCELLANEOUS**

### **3.1 Right to Terminate Options on Sale of Corporation**

Notwithstanding any other provision of this Plan, if the Board at any time by resolution declares it advisable to do so in connection with any proposed sale or conveyance of all or substantially all of the property and assets of the Corporation or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Shares (collectively, the “**Proposed Transaction**”), the Corporation may give written notice to all Optionees advising that their respective Options, including Options held by their RRSP’s or Holding Companies, may be exercised only within 30 days after the date of the notice and not thereafter, and that all rights of the Optionees, their RRSP’s and Holding Companies under any Options not exercised will terminate at the expiration of the 30-day period, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be affected by the notice, except that the Option may not be exercised between the date of expiration of the 30-day period and the day after the expiration of the 180-day period.

### **3.2 Prohibition on Transfer of Options**

Subject to Section 2.4, Options are personal to each Eligible Person. No Eligible Person or RRSP or Holding Company of an Eligible Person may deal with any Options or any interest in them or Transfer any Options now or hereafter held by the Eligible Person or RRSP or Holding Company. If an Optionee’s Holding Company ceases to be wholly owned and controlled by the Optionee, such Optionee will be deemed to have transferred any Options held by such Holding

Company in violation of the Plan. A purported Transfer of any Options in violation of the Plan will not be valid, the Corporation will not issue any Share upon the attempted exercise of improperly transferred Options, and the Options will be forfeited and cancelled.

### **3.3 Capital Adjustments**

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the Exercise Price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Optionees, their RRSP's and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

### **3.4 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Optionee, subject to any required regulatory or shareholder approval.

### **3.5 Amendment and Termination**

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such action may, without the consent of the Optionee, in any manner adversely affect the Optionee's rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Options granted thereunder:
  - (i) any amendment to increase the number of securities issuable under the Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage;
  - (ii) any amendment to remove or exceed the Insider participation limits in Section 1.4;
  - (iii) any reduction to the Exercise Price of any Option issued under the Plan or cancellation and reissue of Options or other entitlements;
  - (iv) any amendment that extends the term of Options beyond the original expiry;

- (v) any amendment to this Section 3.5 relating to the amending provisions of this Plan;
  - (vi) any amendment to Section 3.2 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes; and
  - (vii) a discontinuance of the Plan.
- (b) The Board may, and without further shareholder approval, subject to receipt of requisite regulatory approval, where required, in its sole discretion make amendments to the Plan or any Option granted and the Option Agreement, that are not of the type contemplated in subsection 3.5(a) above, including, but not limited to:
- (i) a change to the vesting provisions of an Option or the Plan;
  - (ii) subject to subsection 3.5(a), any other amendments to Section 2.2 relating to the exercise of Options;
  - (iii) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date;
  - (iv) a change to the definitions set out in Article 1 (other than the definition of “Eligible Person”);
  - (v) make amendments of an administrative nature, including but not limited to Section 1.2 relating to the administration of the Plan;
  - (vi) add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of Options or a clawback provision;
  - (vii) make any amendments required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Corporation;
  - (viii) to the Change of Control provisions provided for in Section 2.8. For greater certainty, any change made to Section 2.8 shall not allow an Optionee to be treated any more favourably than other holders of Shares with respect to the consideration that the Optionee would be entitled to receive for their Shares upon a Change of Control; and
  - (ix) any change fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSX, including amendments of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (c) Notwithstanding the provisions of subsection 3.5(b), the Corporation shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to subsection 3.5(b), to the extent such approval is required by any applicable laws or regulations.

### **3.6 Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Corporation to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Corporation will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading.

### **3.7 Designation of Consultants--Liability**

To the maximum extent permitted by applicable law, no officer of the Corporation or member or former member of the committee or of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any award granted under it. To the maximum extent permitted by applicable law and the Articles and By-Laws of the Corporation and to the extent not covered by insurance, each Employee and member or former member of the committee or of the Board shall be indemnified and held harmless by the Corporation against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Corporation) or liability (including any sum paid in settlement of a claim with the approval of the Corporation), and advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with the Plan, except to the extent arising out of such officer's, member's or former member's own fraud or bad faith. Such indemnification shall be in addition to any rights of indemnification the employees, officers, directors or members or former officers, directors or members may have under applicable law or under the Articles or By-Laws of the Corporation or Affiliate. Notwithstanding anything else herein, this indemnification will not apply to the actions or determinations made by an individual with regard to awards granted to him or her under this Plan.

### **3.8 Clawback**

Notwithstanding any other provisions in this Plan, any Option which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Corporation pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Options (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Options or Shares acquired under Options will be subject to forfeiture and disgorgement to the Corporation, with interest and other related earnings, if the Optionee to whom the Option was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to the Optionee that provides for forfeiture or disgorgement with respect to incentive compensation that includes Options under the Plan. In addition, the Board may require forfeiture and disgorgement to the Corporation of outstanding Options and the proceeds from the exercise or disposition of Options or Shares acquired under Options, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Corporation. Each Optionee, by accepting or being deemed to have accepted an Option under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Optionee to cooperate

fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Corporation nor any other person, other than the Optionee and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Optionee or his or her permitted transferees, if any, that may arise in connection with this Section 3.8.

### **3.9 No Rights as Shareholder**

The holder of an Option shall not have any rights as a holder of Shares with respect to any of the Shares underlying an Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Exercise Price in respect of which the Option is being exercised).

### **3.10 No Rights to Continued Employment**

Nothing in the Plan or any Option shall confer upon an Optionee any right to continue in the employment or engagement of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment or engagement of any Optionee beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the date on which his relationship with the Corporation or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Affiliate.

### **3.11 Effective Date**

This Plan shall be effective on May 6, 2022, as amended from time to time, subject to its approval by the shareholders of the Corporation and acceptance for filing by the TSX pursuant to Section 1.4.



**SCHEDULE "A"**  
**FILO MINING CORP. - SHARE OPTION PLAN**  
**OPTION AGREEMENT**

**[Date]**

PERSONAL & CONFIDENTIAL

**[Name]**

**[Address]**

Dear **[Name]**:

This Option Agreement is entered into between Filo Mining Corp. (the "**Corporation**") and the Optionee named above pursuant to the Corporation's Share Option Plan (the "**Plan**") and confirms that the Board has granted to you an option (the "**Option**") to purchase common shares (the "**Shares**") of the Corporation. This Option is granted on the basis set out in this option agreement, and is subject to the Plan, a copy of which is attached. This option agreement and the Plan are referred to collectively below as the "**Option Documents**". All capitalized terms not otherwise defined shall have the meaning attributed to them in the Plan.

The award date of the Option is: \_\_\_\_\_

The total number of Shares that you may purchase pursuant to this Option is: \_\_\_\_\_

The Option Exercise Price per Share is: \_\_\_\_\_

Your rights to purchase Shares pursuant to this Option will expire on \_\_\_\_\_, 20\_\_\_\_  
(the "**Expiry Date**").

Your rights to purchase Shares will vest as follows:

- (i) ;
- (ii) ;
- (iii) ;
- (iv) .

Subject to earlier expiration in accordance with the Option Documents, your rights to purchase Shares pursuant to this Option will expire with respect to any vested portion at 5:00 p.m. on the Expiry Date.

This Option may be exercised in whole or in part in respect of vested Options at any time prior to the Expiry Date of the relevant Options by delivery of written notice to the Corporation's head office to the attention of the Corporate Secretary of the Corporation, specifying the number of Shares to be purchased, accompanied by payment by bank draft or certified cheque of the total

purchase price of the Shares plus such amount as may be required by applicable legislation for statutory withholdings. This Option may not be exercised in amounts of less than 100 Shares in the case of any one exercise unless that exercise would entirely exhaust the Option.

The Optionee authorizes and the Corporation shall have the right to deduct and to collect and withhold from the Optionee or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes or otherwise with respect to awards hereunder. The Optionee acknowledges that in accordance with Section 2.10 of the Plan, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to an Optionee by the Corporation, whether or not such amounts are payable under the Plan.

The Optionee acknowledges that the Optionee has read and understands the Plan and agrees that the Options are granted under and governed by the terms and conditions of the Plan, as may be amended or replaced from time to time.

Nothing in the Option Documents will affect our right to terminate your services, responsibilities, duties and authority at any time for any reason whatsoever. Regardless of the reason for your Termination, your Option rights will be restricted to those Option rights which have vested on or prior to your date of Termination and, in any claim for wrongful dismissal or breach of contract, no consideration will be given to any Options that might have vested during an appropriate notice period or as a result of additional compensation you may receive in place of that notice period.

All decisions made by the Board with regard to any questions arising in connection with the Option Documents, whether of interpretation or otherwise, will be binding and conclusive on all parties.

This Option Agreement and the Option rights granted to you are personal and may not be sold, pledged, transferred, assigned or encumbered in any way, other than by will or by the applicable laws of descent.

This Option and the Shares issuable upon exercise of this Option may be subject to certain restrictive hold periods as prescribed by applicable securities legislation and the policies of the Toronto Stock Exchange, as may be in force from time to time.

If the Optionee is not a Director or senior officer of the Corporation, the Optionee and the Corporation represent and warrant to each other that the Optionee:

- (a)
- (b) is a *bona fide* "Employee" of the Corporation, which is defined as being:
  - (i) an individual regularly employed on a full-time or part-time basis by the Corporation or its Affiliate; OR
- (c) is a *bona fide* "Consultant" of the Corporation, which is defined as being, in relation to the Corporation, an individual (other than an Employee, Director or officer of the Corporation) that:

- (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;
- (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Corporation, as the case may be;
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
- (iv) who otherwise qualifies as a “consultant” under section 2.22 of National Instrument 45-106.

The Corporation hereby certifies that the class of securities that is referenced in this Option is not registered under the United States Securities Exchange Act of 1934.

**Note to reporting insiders:** Please remember to comply with your reporting issuer requirements within the time prescribed by applicable securities legislation in Canada and Sweden. Insider reports in Canada may only be filed electronically on the web-based system known as SEDI (www.sedi.ca). **We anticipate that you will handle the filing of your own insider reports.**

Please acknowledge acceptance of your Option rights on these terms by signing where indicated below on this letter and returning the signed copy to the Corporation to the attention of the Corporate Secretary. By signing and delivering a copy of this option agreement, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms of the Option Documents.

Yours truly,

**FILO MINING CORP.**

By: \_\_\_\_\_

I, \_\_\_\_\_, (the “Option Holder”) have read the Option Documents and hereby acknowledge and agree to accept this Option and to be bound by the Option Documents this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature of Option Holder \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Witness: \_\_\_\_\_

Witness Name: \_\_\_\_\_  
(Printed)

**[Note: Letter to be revised if Options granted to RRSP or Holding Company.]**