

Filo Mining Reports Q1 2020 Results

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VANCOUVER, May 6, 2020 - [Filo Mining Corp.](#) (TSXV: FIL) (Nasdaq First North Growth Market: FIL) ("Filo Mining" or the "Company") is pleased to announce its results for the three months ended March 31, 2020. PDF Version.

HIGHLIGHTS: CONTINUED EXPLORATION SUCCESS AT FILO DEL SOL

The 2018/2019 field season proved transformational for the Company, proving the existence of a significant porphyry copper system underlying Filo del Sol's current Mineral Resource. Following up on that success, the Company planned and executed an exploration program during the 2019/2020 field season to further drill test the system, with a particular focus at extending mineralization on strike and at depth below the area of highest copper and gold grades.

The Company drilled eight diamond holes, two of which were drilled to final depths of 1,141 metres and 1,106 metres. The two new holes, respectively FSDH032 and FSDH034, along with hole FSDH025 from the previous season, demonstrate the extent of additional mineralization, as the three holes span a north-south distance of 1 kilometre, and all three end in mineralization in excess of 1 kilometre below surface.

Commenting on the success of the Company's latest field campaign, Lukas Lundin, Chairman, stated, "Congratulations to the entire team at Filo. Our drill results this season are truly exceptional and rank amongst the best intercepts of my career. We are only beginning to get a sense of the size and scale of the system at Filo del Sol."

Full assay results from the first five diamond holes of the 2019/2020 campaign have now been received, verified and released to the Company, and are detailed in the table below. Highlights include FSDH032 with an intercept of 762.7 metres at 1.1% Cu Equivalent¹ ("CuEq"), and FSDH034 with an intercept of 439.0 metres grading 0.84% CuEq; both these intersections lie outside of the current Mineral Resource. Results of these holes are provided in the following table:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq ¹ (%)
FSDH032	132.0	1,141.0	1,009.0	0.57	0.39	11.1	0.95
incl.	378.0	1,141.0	762.7	0.68	0.43	13.2	1.10
and incl.	492.0	702.8	210.8	0.90	0.54	19.5	1.46
FSDH033	96.0	552.0	456.0	0.48	0.44	18.7	0.96
incl.	200.0	226.0	26.0	2.03	0.81	2.8	2.64
and incl.	264.0	284.0	20.0	0.03	0.42	223.1	2.19
and incl.	518.0	552.0	34.0	0.68	0.37	8.8	1.02
FSDH034	72.0	1,106.0	1,034.0	0.42	0.32	3.4	0.68
incl.	520.0	959.0	439.0	0.54	0.36	4.2	0.84
incl.	676.0	732.0	56.0	0.74	0.60	8.5	1.25
FSDH035	46.0	58.0	12.0	0.43	0.06	1.3	0.48
FSDH036	174.0	367.1	193.1	0.16	0.25	3.6	0.37
incl.	174.0	226.0	52.0	0.32	0.35	1.7	0.59
incl.	174.0	182.0	8.0	0.92	0.93	3.0	1.62

¹ Copper Equivalent is calculated based on US\$ 2.80/lb Cu, US\$ 1,400/oz Au and US\$ 16/oz Ag. The formula is: CuEq % = Cu % + (0.7292 * Au g/t) + (0.0083 * Ag g/t). See the Company's News Release dated April 20, 2020 for full details.

Adam Lundin, Filo Mining's CEO, commented, "We have long believed that the mineralized system that hosts the Filo del Sol deposit is extensive, and the drill campaigns undertaken in the last two field seasons have confirmed our belief. While we still have work ahead of us to define the system's boundaries, it cannot be ignored that our three deepest holes to date span a distance of 1 kilometer north-south and end in mineralization over a kilometer below surface. Our team remains excited about this potential beyond our current Indicated Resource of 425 million tonnes."

Jamie Beck, President, added, "In the midst of these outstanding results, we curtailed our drill program earlier than planned due to the global novel coronavirus outbreak, as health and safety remains our top priority. In this time of economic uncertainty, it is reassuring to have the continued financial support of the Lundin family trusts, our largest shareholders. As part of our response to the COVID-19 pandemic, we are implementing immediate cost saving measures, while planning to resume drilling next season as conditions allow. The entire organization shares in our commitment to facing this challenge together."

OUTLOOK

The exploration findings from the last two field seasons have provided proof of concept that the Mineral Resource at Filo del Sol, which forms the basis for the robust PFS, is further underlain by a significant porphyry copper-gold system. Demonstrated by drill results from the 2018/2019 and 2019/2020 field seasons, the extent of the additional mineralization extends well beyond the depths of the current Mineral Resource. Full assay results are still pending from the recent drill campaign, and will be made available once received and verified by the Company.

As the Company continues to assess its options for unlocking value at the Filo del Sol Project for its shareholders, it will take into consideration this recent exploration success, as well as the compelling investment thesis presented by the PFS.

FINANCIAL RESULTS

(In thousands of Canadian dollars, except per share amounts)

	Three months ended	
	March 31,	
	2020	2019
Exploration and project investigation	12,028	11,022
General and administration ("G&A")	854	1,009
Net loss	12,643	12,092
Basic and diluted loss per share	0.14	0.17

The financial information in this table were selected from the Company's condensed interim consolidated financial statements for the three months ended March 31, 2020 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website www.filo-mining.com.

SELECTED FINANCIAL INFORMATION

(In thousands of Canadian dollars)		
	March 31,	December 31,
	2020	2019
Cash	6,485	13,753
Working capital	1,443	12,735
Mineral properties	7,110	7,312
Total assets	15,878	23,750

The financial information in this table were selected from the Financial Statements, which are available on SEDAR at www.sedar.com and the Company's website www.filo-mining.com.

The Company incurred a net loss of \$11.8 million during the three months ended March 31, 2020, comprised primarily of \$11.9 million in exploration and project investigation costs and \$0.9 million in G&A costs, which were partially offset by a gain of approximately \$0.7 million resulting from the use of marketable securities for the purposes of facilitating intragroup funding transfers (the "Funding Gains"). For the comparative three months ended March 31, 2019, the Company reported a net loss of \$12.1 million, consisting mainly of \$11.0 million in exploration and project investigation costs and \$1.0 million in G&A costs. Despite higher exploration and project investigation costs during the first quarter of 2020, which reflects the larger field program undertaken during the period relative to the comparative period, the net loss for the period was smaller overall, as a result of the partial offset provided by the Funding Gains.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, the Company had cash of \$6.5 million and net working capital of \$1.4 million,

compared to cash of \$13.8 million and net working capital of \$12.7 million as at December 31, 2019. The decrease in the Company's cash and net working capital is due primarily to funds used in operations.

As an exploration company with no sources of revenue, the economic viability of the Company's long-term business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Accordingly, the Company is cognizant of the current deterioration of global financial markets coinciding with the COVID-19 pandemic and will be reducing discretionary expenditures and senior management salaries and exercising additional caution and prudence in the management and deployment of its current working capital. In this regard, the Company will continue to evaluate and adjust its planned exploration and administrative activities to ensure that adequate levels of working capital are maintained.

ABOUT FILO MINING

Filo Mining is a Canadian exploration and development company focused on advancing its 100% owned Filo del Sol copper-gold-silver deposit located in Chile's Region III and adjacent San Juan Province, Argentina. Filo Mining is a member of the Lundin Group of Companies. Filo Mining is listed on the TSX Venture Exchange ("TSXV") and Nasdaq First North Growth Market under the trading symbol "FIL".

QUALIFIED PERSONS

The scientific and technical disclosure for the Filo del Sol Project included in this news release have been reviewed and approved by Bob Carmichael, P.Eng. and James Beck, B.A.Sc., P. Eng. Mr. Carmichael is Filo Mining's Vice President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure of Mineral Projects ("NI 43-101"). Mr. Beck is Filo Mining's President and is also a Qualified Person under NI 43-101.

ADDITIONAL INFORMATION

The technical information relating to the pre-feasibility study is based on a technical report titled "NI 43-101 Technical Report, Pre-feasibility Study for the Filo del Sol Project" dated February 22, 2019, with an effective date of January 13, 2019 (the "Technical Report"). The Technical Report was prepared for Filo Mining by Ausenco Engineering Canada Inc. ("Ausenco"). The Qualified Persons, as defined under NI 43-101, responsible for the Technical Report are Scott Elfen, P.E., Ausenco; Robin Kalanchey, P.Eng., Ausenco; Bruno Borntraeger, P.Eng., Knight Piesold Ltd.; Fionnuala Devine, P.Geo., Merlin Geosciences Inc.; Ian Stillwell, BGC Engineering Inc.; Neil Winkelmann, FAusIMM, SRK Consulting (Canada) Inc.; James N. Gray, P.Geo., Advantage Geoservices Limited; and Jay Melnyk, P.Eng., AGP Mining Consultants, all of whom are independent of Filo Mining. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.filo-mining.com.

The Company's consolidated financial statements for the year ended December 31, 2019 and related management's discussion and analysis are available on the Company's website at www.filo-mining.com or under its profile on SEDAR at www.sedar.com.

The Company's certified advisor on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.com.

The information contained in this news release was accurate at the time of dissemination, but may be superseded by subsequent news release(s). The Company is under no obligation nor does it intend to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.

This information was submitted by [Filo Mining Corp.](#) for publication, through the agency of the contact person set out below, on May 6, 2020 at 21:30 Eastern Time.

On behalf of Filo Mining,

Adam Lundin, CEO
[Filo Mining Corp.](#)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein in this press release constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information") concerning the business, operations, financial performance and condition of Filo Mining. The forward-looking information contained in this press release is based on information available to the Company as of the date of this press release. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

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

The Company believes that the expectations reflected in the forward-looking information included in this press release are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Information contained in this press release is as of the date of this press release. In particular, this press release contains forward-looking information pertaining to the assumptions used in the PFS for the Filo del Sol project, the assumptions used in the Mineral Reserves and Resources estimates for the Filo del Sol project, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this press release contains forward-looking information pertaining to: the Company's expected timing of results related to the 2019/2020 field program at its 100% owned Filo del Sol Project; potential upside at the Filo del Sol Project, including the extent and significance of the porphyry copper-gold system underlying the current Mineral Resource; assumptions and interpretations around prospectivity of the Tamberias West area; the ability of the Company to secure additional financing and/or the quantum and terms thereof; support of the Lundin Family Trusts; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to its Mineral Reserves or Resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute planned work programs; estimation of commodity prices, Mineral Reserves and Resources, estimations of costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses;

title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

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

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release

Contact

Amanda Strong, Investor Relations, Canada at +1 604 689-7842 or info@filo-mining.com; or Robert Eriksson, Investor Relations, Sweden at +46 701 112 615 or eriksson@rive6.ch.

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