

Filo Mining Reports Third Quarter 2017 Results

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 28, 2017) - [Filo Mining Corp.](#) (TSX VENTURE:FIL)(OMX:FIL) ("Filo Mining" or the "Company") is pleased to announce its results for the three and nine months ended September 30, 2017.

HIGHLIGHTS

Building on the momentum of a successful 2016/2017 field program, which ended March 2017, the Company achieved two key milestones for the Filo del Sol Project during the third quarter of 2017, namely:

- An update to the Mineral Resource estimate at Filo del Sol, effective July 1, 2017, with the overall Resource increasing by 61% to 373 million tonnes Indicated, plus 239 million tonnes Inferred, containing 2.8 billion pounds of copper, 4.0 million ounces of gold and 109.9 million ounces of silver Indicated, and 1.4 billion pounds of copper, 2.5 million ounces of gold and 60.0 million ounces of silver in the Inferred category (see news release dated August 21, 2017); and
- The completion of the second phase of metallurgical testwork, which refined recovery estimates for the gold oxide and copper-gold oxide material for the main Filo del Sol deposit through column leaching and sequential column leaching, respectively. Cyanide column leach tests on gold oxide material returned gold recoveries of 92.8% and 69.8%, and sequential, acid-cyanide leach tests on copper-gold oxide material yielded recoveries of 81.9%, 86.7%, and 70.8%, for copper, gold, and silver, respectively (see news release dated September 25, 2017).

Supported by these positive achievements during the quarter, the Company commissioned the undertaking of a formal, independent preliminary economic assessment ("PEA") of the Filo del Sol Project, which has now been substantially completed. The results of the PEA are expected to be released shortly. The Company hired SRK Consulting (Canada) Inc. as the lead for the PEA, which is based on the updated Mineral Resource estimate and contemplates open-pit mining with heap leach processing of the oxide portions of the Resource.

"The nature, size and scope of development options for the Filo del Sol Project continue to be refined during 2017, and we are very excited with the direction in which this process is headed," commented Mr. Adam Lundin, President and CEO. "With SRK leading the initiative, we have now substantially completed the PEA, results of which are expected to be released shortly, marking the next significant landmark for the Project. In the meantime, we have already ramped up in South America for the 2017/2018 field season, and are prepared to undertake the anticipated work necessary to support the next phase of the Project, including a Pre-Feasibility Study, if so decided following analysis of the PEA. 2017 has been a great year thus far, and we are looking forward to an exciting finish as we continue to build shareholder value through advancement of our flagship copper, gold, silver project."

FINANCIAL RESULTS

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Exploration and project investigation	1,227	457	11,414	2,074
General and administration ("G&A")	1,311	401	2,731	1,207
Net loss	2,549	861	14,115	3,369
Basic and diluted loss per share	0.04	0.02	0.23	0.07

The financial information in this table were selected from the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 (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)

	September 30, 2017	December 31, 2016
Cash	5,639	19,465
Working capital	5,542	17,653
Mineral properties	6,349	6,091
Total assets	12,539	26,151

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 \$2.5 million during the current quarter, comprised of \$1.2 million and \$1.3 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of \$0.9 million for the third quarter of 2016. The variance is primarily due to relative levels of exploration activity undertaken during the respective periods. Specifically, in the third quarter of 2017, the Company incurred higher engineering and environmental consultation costs with respect to the conduct of internal conceptual studies, which have also been incorporated into the now substantially completed PEA. In addition, geological consultation costs and metallurgical testwork costs were higher as well in the current quarter, as a result of the Mineral Resource update and the second phase of metallurgical testwork completed during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2017, the Company had cash of \$5.6 million and net working capital of \$5.5 million, compared to cash of \$19.5 million and net working capital of \$17.7 million as at December 31, 2016. The decrease in the Company's cash and net working capital is due primarily to funds directed towards advancing the Filo del Sol Project, and to a lesser extent, funds spent for general corporate purposes. This has been partially offset by the receipt of approximately \$0.9 million as proceeds from the exercise of share options during the nine months ended September 30, 2017.

Moving forward, the Company expects that the majority of the treasury will be used to fund ongoing work programs to advance the Filo del Sol Project.

Based on Filo Mining's financial position at September 30, 2017, the Company anticipates the need for further funding to support a planned exploration program at its South American operations. The Company is currently evaluating potential additional sources of financing for its exploration program and operations. Historically, including the period prior to the Company's spin-off from [NGEx Resources Inc.](#) in August 2016, capital requirements have been primarily funded through equity financing, joint ventures, and disposition of mineral properties and investments. Management is confident that additional sources of funding will be secured to fund forecasted expenditures for at least twelve months from September 30, 2017.

SUMMARY AND OUTLOOK

Guided by an experienced board of directors and management team, Filo Mining is focused on advancing the Filo del Sol Project. The Company has now substantially completed a PEA on this flagship asset, and the results of this independent assessment will be released shortly.

In addition, the Company has recently begun its next work program for the 2017/2018 field season at the Filo del Sol Project, which coincides with the South American summer. This program, as currently designed, will collect the data anticipated to be required to support the undertaking of a Pre-Feasibility Study ("PFS") for completion by as early as the end of 2018, should it be decided that such a study be undertaken. The current

design of the field work program includes reverse circulation and diamond drilling for resource conversion, metallurgical sample collection and geotechnical information, as well as infrastructure site investigations and ongoing metallurgical and environmental studies. The actual undertaking of a PFS, and the nature and amount of data that would be collected during the 2017/2018 field season to support a PFS, if undertaken, is contingent upon the analysis of, and the recommendations arising from, the PEA.

About Filo Mining

Filo Mining is a Canadian mineral exploration company which holds a 100% interest in the Filo del Sol Project on the border of Argentina's San Juan Province and Chile's adjacent Region III. Filo Mining is listed on the TSX-V and Nasdaq First North Exchange under the trading symbol "FIL". Pareto Securities AB is the Company's Certified Adviser on Nasdaq First North. Built on a foundation of experienced management and focused on advancing exploration projects in Chile and Argentina, Filo Mining is well positioned to build shareholder value through discovery and resource development.

Additional information

The Filo del Sol project and the Mineral Resource estimate is described in a Technical Report titled "Resource Update Report for the Filo del Sol Property, Region III, Chile and San Juan Province, Argentina" dated October 4, 2017, which was prepared for Filo Mining by Fionnuala Devine, M. Sc., P. Geo. of Merlin Geosciences Inc., Diego Charchaflié, M. Sc., P. Geo. of LPF Consulting SRL, Giovanni Di-Prisco, P. Geo. of Terra Mineralogical Services Inc., and James N. Gray, P. Geo. of Advantage Geoservices Ltd., all of whom are Qualified Persons as defined by NI-43-101 and are independent of Filo Mining. The Technical Report is available for review under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.filo-mining.com.

The Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 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.

This information was submitted by [Filo Mining Corp.](http://www.filo-mining.com) for publication, through the agency of the contact person set out below, on November 28, 2017 at 2:30 pm Pacific time.

On behalf of the board of directors of Filo Mining,

Adam Lundin, President and CEO

[Filo Mining Corp.](http://www.filo-mining.com)

Cautionary Note Regarding Forward-Looking Statements

Certain statements made and information contained herein in the press release constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking information contained in this 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, this forward-looking information can frequently, but not always, be identified by use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity,

performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financing, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, as well as other risks and uncertainties and other factors, including, without limitation, those referred to in the under "Risks Factors", and elsewhere, in the Company's most recent financial statements and Annual Information Form which are available under the Company's profile at www.sedar.com and the Company's website. These risks and other factors may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this press release are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the press release. In particular, this press release contains forward-looking statements or information statements with respect to the assumptions used in the mineral resource estimates for the Filo del Sol project; expected timing for the release of the results of a PEA, anticipated undertaking of and timing for the completion of a Pre-Feasibility Study; expected timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development expenditures; the timing and nature of 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 mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the Planned Work programs; estimation of commodity prices, mineral resources, costs; permitting time lines; ability to obtain surface rights and property interests; supply price fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on mineral resource tonnage; and other risks and uncertainties.

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

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.