

Filo Mining Reports 2017 Results

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VANCOUVER, British Columbia, March 20, 2018 (GLOBE NEWSWIRE) -- [Filo Mining Corp.](#) (TSX-V:FIL) (Nasdaq First North:FIL) ("Filo Mining" or the "Company") is pleased to announce its results for year ended December 31, 2017.

HIGHLIGHTS

During 2017, Filo Mining achieved several key project milestones at Filo del Sol, which include:

- An update to the Mineral Resource estimate at Filo del Sol, which achieved a 98% conversion rate of Inferred material to the Indicated category and resulted in an overall 61% increase to the Mineral Resource. The updated Mineral Resource estimate, effective July 1, 2017, is comprised of 373 million tonnes Indicated, plus 239 million tonnes Inferred, containing an estimated 2.8 billion pounds of copper, 4.0 million ounces of gold and 109.9 million ounces of silver in the Indicated category, and an estimated 1.4 billion pounds of copper, 2.5 million ounces of gold and 60.0 million ounces of silver in the Inferred category;
- The completion of the second phase of metallurgical testwork, which further refined recovery estimates for gold oxide and copper-gold oxide material from the main Filo del Sol deposit, and provided critical data for a Preliminary Economic Assessment ("PEA") of the Filo del Sol Project. The results of the metallurgical testwork also highlighted opportunities, such as the fast leach kinetics of oxide material and the water soluble nature of the copper, which will be analyzed further in the next stage of work; and
- The completion of a PEA of the Filo del Sol Project, incorporating the updated Mineral Resource estimate, open-pit mining, and heap leach processing of only the oxide portions of the Mineral Resource. The results of the PEA demonstrate a robust project with strong economics, highlighted by an estimated after-tax NPV of US\$ 705 million using a discount rate of 8% and an IRR of 23%, with an average estimated annual life of mine production of approximately 50,000 tonnes of copper, 115,000 ounces of gold, and over 5 million ounces of silver.

The reader is advised that the PEA study results in this press release are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Commenting on the year's achievements, Adam Lundin, President and CEO, stated, "2017 was an exciting and eventful year for Filo Mining, as we made significant advances in evaluating the potential of our flagship project. We ended the year on a positive note, with the publication of a PEA on Filo del Sol, which demonstrated robust project economics, based only on the oxide portion of the Mineral Resource. With recently having closed a bought-deal common share offering and concurrent private placement for gross proceeds of \$25.5 million, we are now well funded to continue momentum at Filo del Sol, as we finish the 2017/2018 field work and move into to the preparation of a Pre-Feasibility Study."

OUTLOOK

In November 2017, the Company initiated the work program at the Filo del Sol Project for the 2017/2018 field season, which coincides with the South American summer. This program is based on recommendations from the PEA and will collect the data required to support the undertaking of a Pre-Feasibility Study ("PFS"), which was launched in January 2018, and is targeted for completion by the first quarter of 2019. The Company has engaged Ausenco Engineering Canada Inc. to lead the PFS.

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. In addition, the PEA highlighted several opportunities for unlocking value at the Filo del Sol Project, which will be explored by the Company during the PFS, such as:

- Evaluating unique processing opportunities to take advantage of the fast leach kinetics noted in metallurgical testwork completed to date, which could reduce project capital by recovering soluble copper through installing a conventional washing system for process feed after the crushing circuit. Further study of this option is planned and, if successful, the washing stage could eliminate the permanent copper and on/off leach pads and their associated materials handling systems, saving on capital and operating costs associated with these installations;
- Optimizing the mine plan and production schedules by evaluating opportunities to smooth production and bring forward copper revenues;
- Increasing metallurgical recoveries with further test work and optimization; and
- Delineating more or higher-grade material through continued exploration on the Company's extensive land package. The deposit remains open in most directions with several additional exploration targets outside of the immediate deposit area that have seen only preliminary exploration work. In addition, there are areas to cover near the deposit that have not been drill tested and are prospective for additional discoveries.

With the recently completed PEA and a PFS currently underway on the Filo del Sol Project, together with a treasury replenished by the \$25.5 million financings discussed above, the Company is well positioned to make strides towards advancing the Filo del Sol Project. The results of the PFS will guide the direction taken by the Company with respect to the Filo del Sol Project and may lead to further advanced studies of the Project.

FINANCIAL RESULTS

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

	Three months ended Year ended			
	December 31,		December 31,	
	2017	2016	2017	2016
Exploration and project investigation	3,605	4,403	15,019	6,477
General and administration ("G&A")	959	976	3,690	2,183
Net loss	4,580	5,297	18,695	8,666
Basic and diluted loss per share	0.07	0.09	0.30	0.16

The financial information in this table were selected from the Company's consolidated financial statements for the year ended December 31, 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)

	December 31, December 31,	
	2017	2016
Cash	2,417	19,465
Working capital	1,462	17,653
Mineral properties	6,479	6,091
Total assets	10,193	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 \$18.7 million during the year ended December 31, 2017, comprised of \$15.0 million and \$3.7 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of \$8.7 million for the year ended December 31, 2016. The variance is primarily due to relative levels of exploration activity undertaken during the respective periods. Specifically, the larger net loss in 2017 is due to the execution of a larger exploration program during the 2016/2017 exploration season

and, to a lesser extent, higher costs related to engineering and conceptual studies incurred as a result of the undertaking and completion of the PEA during the year ended December 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Company had cash of \$2.4 million and net working capital of \$1.5 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 \$1.0 million as proceeds from the exercise of share options during the year.

On January 12, 2018, the Company obtained a short-term credit facility with an insider of the Company, which enabled access to up to US\$ 2.0 million in short-term credit (the "Facility"), to provide additional financial flexibility to fund ongoing exploration at the Filo del Sol Project and general corporate purposes. As consideration, the lender was entitled to 6,000 common shares of the Company upon execution of the Facility and will be issued an additional 300 common shares each month for every US\$ 50,000 in principal outstanding on the Facility, prorated accordingly for the number of days outstanding. There is no interest payable in cash during the term of the Facility, and all common shares issued in conjunction with the Facility are subject to a four-month hold period under applicable securities laws. As of March 19, 2018, the Company has issued a total of 12,300 common shares to the lender as consideration for providing the Facility to the Company, in lieu of cash fees. The Facility remains available until January 12, 2019.

On February 28, 2018, the Company closed the aggregate sale of 9,823,195 common shares of the Company pursuant to a bought deal common share offering and a concurrent non-brokered private placement for gross proceeds of approximately \$25.5 million. A portion of the net proceeds received were used to repay all amounts drawn to date under the Facility, and the Company plans to use the remaining net proceeds for exploration and development work at the Filo del Sol Project, and for working capital and general corporate purposes.

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 del Sol is located between the prolific Maricunga and El Indio Gold Belts, two major mineralized trends that contain such deposits as Caspiche, La Coipa, Veladero, and El Indio. The region is mining-friendly and hosts a number of large-scale mining operations. The project area is covered under the Mining Integration and Complementarity Treaty between Chile and Argentina, which provides the framework for the development of cross border mining projects. 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, the Mineral Resource estimate, and the PEA are described in a Technical Report titled "Independent Technical Report for a Preliminary Economic Assessment on the Filo del Sol Project, Region III, Chile and San Juan Province, Argentina" dated December 18, 2017, with an effective date of November 6, 2017 (the "Technical Report"), which was prepared for Filo Mining by SRK Consulting (Canada) Inc ("SRK"). The Qualified Persons, as defined under NI 43-101, responsible for the Technical Report are Fionnuala Devine, P. Geo., Merlin Geosciences Inc., Carl E. Defilippi, RM SME, Kappes, Cassidy & Associates, Giovanni Di Prisco, PhD., P. Geo., Terra Mineralogical Services Inc., James N. Gray, P. Geo., Advantage Geoservices Limited, Robert McCarthy, P. Eng., SRK, Cameron Scott, P. Eng., SRK, and Neil Winkelmann, FAusIMM, SRK, 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, 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.

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.

This information was submitted by [Filo Mining Corp.](#) for publication, through the agency of the contact person set out below, on March 20, 2018 at 2:30 p.m. Pacific time.

On behalf of the board of directors of Filo Mining,

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

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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" or "forward-looking statements") 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 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 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 pertaining to the assumptions used in the PEA for the Filo del Sol project, the assumptions used in the mineral 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 statements or information pertaining to the 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 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 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, 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 actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

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

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.

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