

Filo Mining Reports Q3 2018 Results

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VANCOUVER, Nov. 9, 2018 - [Filo Mining Corp.](#) (TSX-V: FIL)(Nasdaq First North: FIL) ("Filo Mining" or the "Company") to announce its results for three and nine months ended September 30, 2018.

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HIGHLIGHTS

During the third quarter of 2018, the Company completed an update to the Mineral Resource estimate at the Filo del Sur (the "Project"), with an effective date of June 11, 2018. The updated Mineral Resource estimate is highlighted by the successful conversion of previously Inferred material to the Indicated category, resulting in an overall increase in the tonnage of the Indicated category by 14%, to 425.1 million tonnes. In addition, the contained metals within the Indicated category have also increased as follows:

- The total Indicated contained gold in all zones increased by 12% to 4.4 million ounces;
- The total Indicated contained copper in all zones increased by 12% to 3.1 billion pounds; and
- The total Indicated contained silver in all zones increased by 34% to 147 million ounces.

The increases in the tonnage and contained metals within the Mineral Resource estimate's Indicated category mark the achievement of a key objective of the Company's recent 2017/2018 field program, which was to successfully convert material previously categorized as Inferred to Indicated, so as to maximize the amount of material available for inclusion in the Final Feasibility Study ("PFS"), as appropriate.

Consistent with the previous Mineral Resource estimate, the updated Mineral Resource estimate is comprised of four distinct mineral zones: an uppermost gold oxide ("AuOx") zone, a copper-gold oxide ("CuAuOx") zone, and a silver zone, all of which are underlain by a copper-gold sulphide ("Sulphide") zone. The updated Mineral Resource estimate, segregated by zone, is summarized in the following table.

Zone	Cutoff	Category	Tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	lbs Cu (millions)	Ounces Au (thousands)	Ounces Ag (thousands)
AuOx	0.20 g/t Au	Indicated	49.9	0.04	0.42	3.0	45	679	4,810
		Inferred	20.8	0.08	0.34	2.4	35	226	1,580
CuAuOx	0.15 % CuEq	Indicated	259.2	0.38	0.29	2.7	2,166	2,385	22,500
		Inferred	74.3	0.29	0.31	2.1	481	735	5,040
Ag	20 g/t Ag	Indicated	40.5	0.50	0.43	87.6	446	562	114,180
		Inferred	8.8	0.36	0.43	79.3	70	121	22,400
Sulphide	0.30 % CuEq	Indicated	75.5	0.27	0.34	2.2	451	813	5,370
		Inferred	71.2	0.30	0.33	2.5	470	750	5,740
Total		Indicated	425.1	0.33	0.32	10.7	3,108	4,439	146,860
		Inferred	175.1	0.27	0.33	6.2	1,056	1,832	34,760

- ¹ - CuAuOx copper equivalent (CuEq) assumes metallurgical recoveries of 82% for copper, 55% for gold and 71% for silver based on preliminary metallurgical testwork, and metal prices of US\$3/lb copper, US\$1300/oz gold, US\$20/oz silver. The CuEq formula is: $CuEq=Cu+Ag*0.0084+Au*0.4239$;
- ² - Sulphide copper equivalent (CuEq) assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as no metallurgical testwork has been done the Sulphide mineralization, and metal prices of US\$3/lb copper, US\$1300/oz gold, US\$20/oz silver. The CuEq formula is: $CuEq=Cu+Ag*0.0089+Au*0.5266$;
- ³ - The Qualified Person for the resource estimate is James N. Gray, P.Geo. of Advantage Geoservices Ltd.;
- ⁴ - All figures are rounded to reflect the relative accuracy of the estimate;
- ⁵ - Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
- ⁶ - The resource was constrained by a Whittle[®] pit shell using the following parameters: Cu \$3/lb, Ag \$20/oz, Au \$1300/oz, slope of 45°, a mining cost of \$2.50/t and an average process cost of \$13.26/t.

The updated Mineral Resource estimate is now being incorporated into the PFS, which continues to be targeted for completion by the first quarter of 2019. Metallurgical testwork results will be the next integral input to the PFS, and this phase of testing is now nearing completion.

Commenting on the Company's current status, Adam Lundin, President and CEO, noted, "We are now close to the completion of the PFS for our Filo del Sol Project, which is still expected by Q1 2019. I am confident that the results will confirm that we have a robust standalone project that will deliver strong value to our shareholders. At the same time, the current resource of the Project, which forms the basis of the PFS, is based upon drilling less than 20% of the Project area. As such, in tandem with the completion of the PFS and moving forward the current Project, we will shortly commence the 2018/2019 field program where we will dedicate drill metres to test the prospectivity of a potential copper porphyry system below our current resource. The upside to the Project is significant and based upon industry analogues we are excited about the potential of the area."

OUTLOOK

The Company continues to work towards completion of the PFS, which is being led by Ausenco Engineering Canada Inc. and is targeted for completion by the first quarter of 2019. The PFS will incorporate the updated Mineral Resource estimate and will explore several opportunities to enhance the value of the Filo del Sol Project, as identified in the PEA, including:

- Evaluating opportunities to optimize the mine plan and production schedules by smoothing out the production profile, bringing forward copper revenues; and
- Increasing metallurgical recoveries with further test work and optimization.

The refinement of metallurgical recoveries, which is deemed a key area of focus and value creation for the Filo del Sol Project, began in April 2018, using material collected during the 2017/2018 field program. This current phase of metallurgical testwork is now nearing completion and results will be incorporated into the PFS.

With the completion of an updated Mineral Resource estimate and the metallurgical testwork program progressing as scheduled, the PFS is on target for completion by the first quarter of 2019, which will be the next landmark for the Company's continuing advancement of the Filo del Sol Project. In advance of receiving the PFS results, which will guide the necessary steps to undertaking a feasibility study on the project, the Company has planned its 2018/2019 field program around certain known or anticipated informational requirements for feasibility-level studies, such as the need to conduct hydrogeological testwork to confirm a source of water for the project. Data generated through this advance work should facilitate the eventual undertaking of a feasibility study in the future. In addition, to maximize utilization of the field camp and personnel during the season, the 2018/2019 field program also plans to test the project's significant exploration upside. As mentioned, to date, only approximately 20% of the project area has been explored, the current resource remains open for expansion, and there is potential for a copper porphyry system below

the current resource. Preparations for this upcoming field program are currently underway, and results are expected to be available in the first and second quarters of 2019.

FINANCIAL RESULTS

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Exploration and project investigation	2,208	1,227	18,935	11,414
General and administration ("G&A")	1,608	1,311	3,939	2,731
Net loss	3,865	2,549	22,699	14,115
Basic and diluted loss per share	0.05	0.04	0.32	0.23

The financial information in this table were selected from the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 (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, December 31,	
	2018	2017
Cash	3,257	2,417
Working capital	4,854	1,462
Mineral properties	6,993	6,479
Total assets	13,009	10,193

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 \$3.9 million during the current quarter, comprised of \$2.2 million and \$1.6 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of \$2.5 million for the three months ended September 30, 2017. The variance is primarily due to relative levels of exploration activity undertaken during the respective periods. Specifically, the larger net loss incurred during the three months ended September 30, 2018 is due to the higher costs associated with the undertaking of a PFS study on the Filo del Sol Project during the period, which is a more advanced, detailed and costly study as compared to the preliminary economic assessment that was in progress during the 2017 comparative period.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018, the Company had cash of \$3.3 million and net working capital of \$4.9 million,

compared to cash of \$2.4 million and net working capital of \$1.5 million, as at December 31, 2017. The increase in the Company's cash and net working capital is due primarily to aggregate net proceeds totaling \$24.4 million received from the Financings, which closed on February 28, 2018. As at September 30, 2018, this cash inflow has been largely partially offset by funds directed towards advancing the Filo del Sol Project, and to a lesser extent, \$0.5 million in relation to the annual option payment made for the Tamberias property in June 2018, funds spent for general corporate purposes, and repayment of a short-term credit facility used by the Company prior to closing of the Financings, as announced by the Company on January 12, 2018.

Moving forward, the Company expects that the majority of its treasury will be used to complete the PFS, which is currently underway, and to fund ongoing work programs to advance the Filo del Sol Project.

Based on Filo Mining's financial position at September 30, 2018, the Company anticipates the need for further funding to support a planned field program at its South American operations. The Company is currently evaluating potential additional sources of financing for its field program and operations. Historically, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of short-term credit facilities. Management is confident that additional sources of funding will be secured to fund planned expenditures for at least twelve months from September 30, 2018.

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.

Qualified Person

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. (BC) and/or 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 for Mineral Projects ("NI43-101"). Mr. Beck is Filo Mining's Vice-President of Corporate Development and Projects and is also a Qualified Person under NI43-101.

Additional information

The technical information relating to the PEA is based on a 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 condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 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 November 9, 2018 at 6:00 pm Pacific time.

On behalf of the board of directors of Filo Mining,

Adam Lundin, President and 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 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 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 information pertaining to the undertaking of and timing for the completion of a Pre-Feasibility Study; expected timing for the results of metallurgical testwork; 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 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 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

SOURCE [Filo Mining Corp.](#)

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