Filo Mining Reports Q2 2019 Results

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VANCOUVER, Aug. 6, 2019 - Filo Mining Corp. (TSX-V:FIL)(Nasdaq First North:FIL) ("Filo Mining" or the "Company") to announce its results for the three and six months ended June 30, 2019.

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HIGHLIGHTS

Filo Mining Validates Project's Vast Exploration Potential, Confirms Significant Porphyry Mineralization at Depth

During the 2018/2019 field campaign, which ended in April 2019, the Company successfully drilled seven diamond core total of 4,747 metres, with a focus on drill-testing the potential for a copper porphyry system below the current resource

Assay results were received between March and May 2019, and confirmed the Company's longtime views that the curr Resource estimate at Filo del Sol is part of a much larger porphyry mineralization system. These findings have the pote transformative for the Company, as the copper-gold mineralization identified during the most recent season's drill progr to depths of 1,025 metres below surface, which is 530 metres deeper than previously known. Assay results from the 20 drill campaign are summarized in the following table:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
FSDH025	0.0	1,025.0	1,025.0	0.30	0.22	1.6
incl.	334.0	466.0	132.0	0.48	0.30	1.2
FSDH026	0.0	613.9	613.9	0.39	0.34	1.6
incl.	14.0	474.0	460.0	0.45	0.34	1.6
and incl.	14.0	94.0	80.0	0.73	0.43	1.8
and incl.	228.0	316.0	88.0	0.50	0.33	1.4
and incl.	420.0	474.0	54.0	0.49	0.37	3.3
FSDH027	0.0	545.4	545.4	0.22	0.28	1.8
incl.	318.0	422.0	104.0	0.37	0.34	3.5
FSDH028	16.0	563.5	547.5	0.40	0.78	8.0
incl.	155.0	164.0	9.0	0.18	22.04	15.2
and incl.	390.0	563.5	173.5	0.55	0.54	12.9
incl.	496.0	563.5	67.5	0.61	0.68	24.0
FSDH029	0.0	800.1	800.1	0.24	0.26	1.8
incl.	6.0	42.0	36.0	0.78	0.20	3.1
FSDH030	134.0	512.0	378.0	0.44	0.89	42.5
incl.	190.0	244.0	54.0	1.05	0.83	1.4
and incl.	262.0	388.0	126.0	0.19	1.79	121.5
incl.	262.0	274.0	12.0	0.54	12.60	260.1
and incl.	388.0	512.0	124.0	0.49	0.40	2.6
FSDH031	212.0	216.0	4.0	0.08	3.18	10.5

Through the 2018/2019 field work, the Company has successfully demonstrated the significant upside that still remains at the Filo del Sol Project, and the positive potential impacts on size, scope and project economics. Through exploration of less than 20% of the Project's vast area, the Company has proven continuous mineralization over a distance of 3 kilometres north-south, with the deposit remaining open in both directions and at depth.

Remarking on this season's exploration success, Adam Lundin, President and CEO, commented, "We seized the opportunity to conduct another field program at the Filo del Sol Project, while the PFS was in its final stages, to gain a better understanding of the extent of mineralization around our current resource. What we confirmed through the 2018/2019 drill program is not only that significant prophry mineralization exists beneath the current deposit at Filo del Sol, but we have also caught several high-grade pockets within it. To better understand this mineralization, its geological constraints, and its potentially significant impact on the project's size and scope, we will be pursuing a more extensive, deep diamond drill program during the

2019/2020 season, commencing this fall. We are looking forward to another transformative season and continue to deliver value to shareholders."

Identification of Water to Support Future Development of Project

Also during the 2018/2019 field season, the Company completed a hydrogeological drill program, which successfully identified potential ground water sources to support the future development of the Filo del Sol Project. Although further testing will be required for production scale well development, the identification of a water source is an important achievement and continues to de-risk the project.

OUTLOOK

While the Filo del Sol Project represents a compelling production case, as outlined in its pre-feasibility study, effective January 13, 2019, with an after-tax NPV of US$ 1.28 billion at an 8% discount rate and an IRR of 23%, the exploration results arising out of the 2018/2019 drill program, as described above, highlight potentially transformative upside for the flagship asset's size, scope and economic potential. Accordingly, for its 2019/2020 field campaign, the Company is currently planning to further drill the copper-gold porphyry system underlying the current Mineral Resource, which it believes will unlock value at the project for its shareholders. The Company anticipates that this 2019/2020 drill program will commence around November or December 2019, with the first set of assay results available in early 2020.

Also during the 2019/2020 season, the Company plans to continue ongoing environmental baseline studies and related data collection, which will facilitate the undertaking of studies and permitting applications with respect to the Filo del Sol Project in the future.

The Company continues to review all financing options with respect to the planned 2019/2020 field program.

FINANCIAL RESULTS

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

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Exploration and project investigation	4,332	3,595	15,353	16,728
General and administration ("G&A")	911	837	1,920	2,331
Net loss	5,336	4,446	17,428	18,835
Basic and diluted loss per share	0.07	0.06	0.24	0.27

The financial information in this table were selected from the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2019 (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)		
	June 30,	December 31,
	2019	2018
Cash	568	2,405
Working capital deficit	(10,509)	(602)
Mineral properties	7,726	7,118
Total assets	11,568	11,938

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 $5.3 million during the three months ended June 30, 2019, comprised of $4.3 million and $0.9 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of $4.4 million for the three months ended June 30, 2018. The variance is primarily due to relative nature and levels of exploration activity undertaken during the respective periods. Specifically, the larger net loss incurred during the current period is due primarily to the execution of a hydrogeological drill program during the three months ended June 30, 2019, to continue de-risking the project by identifying a source of industrial water. During the 2018 comparative period, only ongoing environmental baseline and data collection programs were being conducted.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2019, the Company had cash of $0.6 million and a net working capital deficit of $10.5 million, which includes $11.1 million drawn and outstanding against credit facilities extended by Zebra Holdings and Investments S.à.r.l. ("Zebra"), an insider and related party of the Company by virtue of its shareholding in the Company exceeding 20%, dated February 28, 2019 and April 26, 2019. As at June 30, 2019, the Company also had $6.5 million drawn and outstanding against a credit facility from Zebra, dated January 12, 2019, which matures on July 12, 2020. By comparison, as at December 31, 2018, the Company held cash of $2.4 million and a net working capital deficit of $0.6 million, as at December 31, 2018.

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. The Company's shares are listed on the TSX-V and on Nasdaq First North under the symbol "FIL". Filo Mining is a member of the Lundin Group of Companies.

Qualified Persons and Technical Notes

The 2018/2019 field program was carried out under the supervision of Bob Carmichael, B.A.Sc., P.Eng. Mr. Carmichael is Vice President, Exploration for the Company and has reviewed and approved the technical information contained in this news release. Samples were cut at Filo Mining's Batidero camp near the project site by Company personnel. Diamond drill core was sampled in 2 metre intervals (except where shortened by geological contacts) using a rock saw for sulphide mineralization. Oxide mineralization was cut with a core splitter in order to prevent dissolution of water soluble copper minerals during the wet sawing process. Core diameter is a mix of PQ, HQ and NQ depending on the depth of the drill hole. Samples were bagged and tagged at camp, and packaged for shipment by truck to San Juan, Argentina. Samples were delivered to the ALS preparation laboratory in Mendoza, Argentina where they were crushed and a 500g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to the ALS assay laboratory in Lima, Peru. ALS is an accredited laboratory which is independent of the Company. Gold analyses were by

fire assay fusion with AAS finish on a 30g sample. Copper and silver were analysed by atomic absorption following a 4 acid digestion. Samples were also analyzed for a suite of 36 elements with ICP-ES and a sequential copper leach analysis was completed on each sample. Copper and gold standards as well as blanks and duplicates (field, preparation and analysis) were randomly inserted into the sampling sequence for Quality Control. On average, 9% of the submitted samples are Quality Control samples. No data quality problems were indicated by the QA/QC program.

Mineralized zones within the Filo del Sol deposit are flat-lying, and drilled widths are interpreted to be greater than 90% of true widths. This includes the high-grade gold intervals in holes FSDH028 and FSDH030.

Additional information

The technical information relating to the PFS 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 condensed interim consolidated financial statements for the three and six months ended June 30, 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.

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 August 6, 2019 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 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 potential copper-gold porphyry system underlying the current Filo del Sol deposit and the undertaking of and timing for an exploration drill program to test the system, including the expected timing of results related thereto; the ability of the Company to satisfy the conditions of the Company's existing credit facilities, including repayment upon their maturity; the ability of the Company 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 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.

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SOURCE Filo Mining Corp.

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