

Filo Mining Reports Q3 2019 Results

07.11.2019 | [CNW](#)

VANCOUVER, Nov. 7, 2019 - [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 and nine months ended September 30, 2019. [View PDF](#)

Q3 2019 HIGHLIGHTS AND OUTLOOK

Filo Mining Launches Extensive Exploration Program at Filo del Sol Project

Drilling has commenced at the Filo del Sol Project and two diamond drills are now turning. The remaining two drill rigs are mobilizing to site, and will be drilling shortly. Filo Mining's 2019/2020 field program follows on the findings of the 2018/2019 field campaign, which confirmed the Company's longtime view that the Filo del Sol Project's current Mineral Resource is part of a much larger mineralization system. Last season's drilling extended the copper-gold mineralization 530 metres deeper than previously known, to total depths of over 1,000 metres below surface. Specifically, the Company's 2019/2020 exploration program plans to complete more than 10,000 metres of diamond drilling, with drone magnetometer and 3D induced polarization ("IP") geophysical surveys conducted in support of drill targeting. The main objectives of the exploration program will be:

- to better define the large overall gold-copper-silver mineralization system, which hosts the Filo del Sol deposit, with a focus on the mineralization beneath the current Mineral Resource;
- to better understand the structural features controlling the high-grade gold zones encountered during previous drill campaigns; and
- to test the Tamberias West prospect, a previously unexplored and recently permitted area located southwest of the current Mineral Resource, for additional near surface oxide mineralization.

The Company's 2019/2020 field campaign will run from November 2019 to approximately March 2020, weather permitting, and include over 10,000 metres of diamond drilling along with geophysical surveys. The Company anticipates that the first set of assay results will be available by early 2020.

Commenting on the field season ahead, Adam Lundin, CEO, remarked, "It is very exciting to report that drills started turning again at the Filo del Sol Project this past week, as our 2019/2020 field season is now underway. The Company is undertaking the most extensive field campaign ever at Filo del Sol with plans to test a number of exploration targets that could result in a step change in the overall size and scale of mineralization at Filo. With the on-going support of our stakeholders, we are looking forward to another potentially transformational field season at Filo."

The 2019/2020 field program is funded by proceeds raised from a bought deal offering and a concurrent non-brokered private placement of common shares (the "Financings"), which generated gross proceeds \$40.0 million and closed on August 30, 2019. The Financings resulted in the combined sale of 14,547,727 common shares of the Company, at a price of \$2.75 per common share, and yielded net proceeds of \$38.8 million. While a portion of the net proceeds from the Financing have been used by the Company to fully repay amounts owing against credit facilities extended by Zebra Holdings and Investments S.à.r.l ("Zebra"), the Company intends to use the bulk of the remaining net proceeds to fund the extensive 2019/2020 exploration program.

FINANCIAL RESULTS

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

	Three months ended			
	September 30,		September 30,	
	2019	2018	2019	2018
Exploration and project investigation	1,895	2,208	17,248	18,935
General and administration ("G&A")	680	1,608	2,600	3,939
Net loss	3,105	3,865	20,532	22,699
Basic and diluted loss per share	0.04	0.05	0.27	0.32

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, 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)		
	September 30,	December 31,
	2019	2018
Cash	19,458	2,405
Working capital (deficit)	19,098	(602)
Mineral properties	7,393	7,118
Total assets	28,712	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 \$3.1 million during the three months ended September 30, 2019, comprised of \$1.9 million and \$0.7 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of \$3.9 million for the three months ended September 30, 2018. The variance is primarily due to higher share-based compensation costs, a non-cash cost, in the 2018 comparative period, which relate to the grant of stock options to officers, directors and other eligible persons of the Company in August 2018, and the subsequent vesting thereof.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had cash of \$19.5 million and net working capital of \$19.1 million, compared to cash of \$2.4 million and a net working capital deficit of \$0.6 million, as at December 31, 2018. The increase in the Company's cash and net working capital is due primarily to aggregate net proceeds totaling \$38.8 million received from the Financings, which closed on August 30, 2019. This cash inflow has been partially offset by \$18.5 million used to fully repay amounts previously drawn under the credit facilities extended by Zebra.

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 condensed interim consolidated financial statements for the three and nine months ended September 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.

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 November 7, 2019 at 5:30pm Toronto time.

On behalf of the board of directors 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 relating to the Company's plans for the upcoming field season and proposed 2019/2020 drill targets at its 100% owned Filo del Sol Project, including the expected timing of results related thereto; potential upside at the Filo del Sol Project; assumptions and interpretations around surface indications of mineralization at the Tamberias West area; the Company's ability to define and understand the structural controls applicable to the high-grade gold zones within the Filo del Sol deposit; 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

SOURCE Filo Mining Corp.