

# Filo Mining Reports Q4 2021 Results; Advises that Filo del Sol Program Expanding to Seven Diamond Rigs to Expedite Definition of Deposit

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VANCOUVER, March 22, 2022 - [Filo Mining Corp.](#) (TSX: FIL) (Nasdaq First North Growth Market: FIL) (OTCQX: FLMMF) ("Filo Mining" or the "Company") announces its results for the year ended December 31, 2021. PDF Version.

## HIGHLIGHTS AND OUTLOOK

### Filo Mining Well Positioned to Rapidly Define the Filo del Sol Deposit

Jamie Beck, President & CEO, remarked, "Our 2021/2022 drill campaign is now well underway and initial assays from holes 54 and 55 have built confidence in our geological model and returned excellent results. Drilling to date has identified continuous mineralization over a north-south distance of 4.5km, an east-west distance over 1km, and almost 1.5km deep. The deposit remains open to the north, south, east and at depth. With the closing of the \$100 million, non-brokered private placement to BHP earlier this month, the Company is now well funded to significantly ramp up our exploration efforts at Filo del Sol.

Two additional diamond rigs are currently being mobilized to site, which will bring our total diamond rig count to seven. By mid-year, we will look to add an additional four diamond rigs, which would bring the total diamond rig count to eleven. The additional rigs will dramatically increase the pace of drilling at the project and expedite our exploration objectives - searching for the edges of the system and enhancing our geological understanding of this remarkable deposit."

On March 11, 2022, the Company closed a non-brokered private placement of 6,270,000 common shares to BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (collectively, "BHP"), at a price of \$15.95 per common share for total gross proceeds of \$100 million (the "Private Placement") (see news releases dated February 28, 2022 and March 11, 2022). No finder's fee or commissions were payable in connection with the Private Placement.

Filo Mining intends to use the proceeds of the Private Placement to advance exploration and development of the Company's Filo del Sol project and for working capital and general corporate purposes. In this regard, the completion of the Private Placement, and the resulting replenishment of the Company's treasury, will afford Filo Mining valuable flexibility as it seeks to expand its operations, starting with the 2021/2022 drill program currently underway.

The 2021/2022 drill program is currently operating with five diamond drill rigs, and the Company is in the process of adding two additional diamond drills and a reverse circulation ("RC") drill before the end of March 2022 for the purposes of pre-collaring the upper portion of holes in areas that have been historically challenging to diamond drill. Initial drilling has focused around an area the Company is calling Breccia 41. This area was named after its discovery hole, FSDH041, which intersected 163m at 5.43% copper equivalent<sup>1</sup> ("CuEq") (2.31% Cu; 2.07g/t Au; 183.0g/t Ag) from 780m depth within a broader interval of 858m at 1.80% CuEq (0.86% Cu; 0.70g/t Au; 48.1g/t Ag) from 188m depth. Breccia 41 represents an area of elevated grades within the high-grade Aurora Zone, an approximate 1 km<sup>3</sup> zone which extends from FSDH034 in the south, to FSDH041 to the north, and remains open in all directions. The current campaign seeks to improve the Company's understanding of Breccia 41 and the Aurora Zone's geometry while also testing some new exploration targets at Filo del Sol.

Assay results from two holes of the 2021/2022 campaign have been received and released. Hole FSDH055A returned the best precious metal intersections on the project to date, with 64m at 1,213.8g/t Ag and 0.49g/t

Au from a depth of 362m. Meanwhile, hole FSDH054 intersected 172m at 3.22% CuEq (1.51% Cu; 1.42g/t Au; 75.9g/t Ag) from 830m depth within a broader interval of 1,224m at 1.26% CuEq (0.71% Cu; 0.54g/t Au; 18.0g/t Ag) from a depth of 146m. Hole FSDH054 was collared 60m east of, and drilled parallel to, FSDH041, and the mineralization intersected is completely outside of the current Mineral Resource, successfully extended Breccia 41, and remains open to the west, east, north and at depth.

Assay results for initial holes FSDH054 and FSDH055A are summarized in the table below:

Hole-ID	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)
FSDH054	146.0	1,369.5	1,223.5	0.71	0.54	18.0	1.26
plus	435.9	442.0	6.1	0.59	0.24	127.5	1.89
plus	498.0	1,090.0	592.0	1.15	0.84	31.9	2.04
incl.	830.0	1,001.5	171.5	1.51	1.42	75.9	3.22
FSDH055A	362.0	426.0	64.0	0.01	0.49	1,213.8	
incl.	374.4	402.0	27.6	0.01	0.50	2,439.2	
incl.	380.0	388.0	8.0	0.01	0.45	5,280.0	

The Company will also advance exploration drilling on the project this season, the objective of which will be to find the edges of the deposit, which remains open to the north, south, east and at depth. Step-out drilling will be a combination of holes testing the sparsely drilled area north of FSDH037, the undrilled area north-east of FSDH051 and, eventually, the area south of the southern extent of the current Mineral Resource. Hole locations will be determined as the drill program progresses, guided by drill results, surface mapping, and geophysical interpretations. In particular, data collected from the drilling will be used to develop a comprehensive geological model which will guide further exploration and form the basis of eventual Mineral Resource estimates.

The Company also plans to undertake preliminary metallurgical testwork on the sulphide mineralization, as well as the continuation of environmental and social baseline data collection in support of future project permitting.

## FINANCIAL RESULTS

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

	Three months ended Year ended			
	December 31,		December 31,	
	2021	2020	2021	2020
Exploration and project investigation	10,328	4,214	40,901	19,055
General and administration ("G&A")	1,678	665	6,113	4,059
Net loss	8,053	3,271	32,419	18,879
Basic and diluted loss per share	0.07	0.03	0.29	0.19

The financial information in this table were selected from the Company's consolidated financial statements for the year ended December 31, 2021 (the "Financial Statements"), which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.filo-mining.com](http://www.filo-mining.com).

#### SELECTED FINANCIAL INFORMATION

(In thousands of Canadian dollars)

	December 31, December 31,	
	2021	2020
Cash	19,417	36,326
Working capital	13,052	33,026
Mineral properties	8,063	8,857
Total assets	33,660	47,663

The financial information in this table were selected from the Financial Statements, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.filo-mining.com](http://www.filo-mining.com).

The Company incurred a net loss of \$32.4 million during the year ended December 31, 2021, comprised primarily of \$40.9 million in exploration and project investigation costs and \$6.1 million in G&A costs, which were partially offset by a gain of approximately \$15.3 million resulting from the use of marketable securities for the purposes of facilitating intragroup funding transfers (a "Funding Gain"). For the 2020 comparative period, the Company reported a net loss of \$18.9 million, consisting mainly of \$19.1 million in exploration and project investigation costs and \$4.1 million in G&A costs, which were partially offset by a Funding Gain of \$4.6 million.

#### LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company had cash of \$19.4 million and net working capital of \$13.1 million, compared to cash of \$36.3 million and net working capital of \$33.0 million as at December 31, 2020. The decrease in the Company's cash and net working capital is due primarily to funds used to advance exploration at the Filo del Sol Project, and to a lesser extent, funds spent for general corporate purposes. These decreases have been partially offset primarily by \$9.6 million in gross proceeds received by the Company in relation to the exercise of stock options during the year ended December 31, 2021.

The Company will continue to deploy the majority of its treasury, including the proceeds received from the Private Placement, to fund ongoing exploration and advancement of the Filo del Sol Project.

#### 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 and Nasdaq First North Growth Market under the trading symbol "FIL", and on the OTCQX under the symbol "FLMMF". Filo Mining is a member of the Lundin Group of Companies.

#### Technical Information

<sup>1</sup>Copper Equivalent is calculated based on US\$ 3.00/lb Cu, US\$ 1,500/oz Au and US\$ 18/oz Ag, with 80% metallurgical recoveries assumed for all metals. The formula is:  $CuEq \% = Cu \% + (0.7292 * Au \text{ g/t}) + (0.0088 * Ag \text{ g/t})$ .

Details on assay procedures and the drill intersections provided above can be found in the Company's news

releases dated January 12, 2022 and January 19, 2022.

#### 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 Jamie Beck, 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 CEO and is also a Qualified Person under NI 43-101.

#### Additional information

The Company's consolidated financial statements for the year ended December 31, 2021 and related management's discussion and analysis are available on the Company's website at [www.filo-mining.com](http://www.filo-mining.com) or under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company's certified adviser on the Nasdaq First North Growth Market is Aktieinvest FK AB, +46 8 506 51703, [rutger.ahlerup@aktieinvest.se](mailto:rutger.ahlerup@aktieinvest.se).

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 March 22, 2022 at 16:00 Pacific time.

On behalf of the board of directors of Filo Mining,

Jamie Beck, 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 may contain forward-looking statements or information pertaining to: the potential exploration results or anticipated outcomes of infill or step-out drilling planned at Filo del Sol; exploration and development plans and expenditures, including, but not limited to, its plans to add rigs to the 2021/2022 drill campaign, the sequencing or prioritization of drill targets, , the impact of reverse circulation drilling for the purposes of pre-collaring, and a transition to year-round operations; the ability of the Company's COVID-19 operating protocol to continue to meet government mandated health and safety guidelines enabling it to conduct its field programs as planned; the ultimate size and scope of its field programs and the Company's ability to achieve the objectives thereof; the impact of the Company's winterization efforts at Filo del Sol, and whether such efforts will enable year-round operations and have adequately anticipated the challenges of winter operation, including, but not limited to, weather and potential supply chain disruptions; the anticipated use of proceeds from the Private Placement; the timing or results of an upgrade to the Mineral Resources estimate at Filo del Sol, including the inputs used therein; 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](http://www.sedar.com). All 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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