

Filo Reports Q1 2024 Results

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VANCOUVER, May 8, 2024 - Filo Corp. (TSX: FIL) (Nasdaq First North Growth Market: FIL) (OTCQX: FLMMF) ("Filo", or the "Company") announces its results for the three months ended March 31, 2024. [View PDF](#)

Jamie Beck, President & CEO, commented, "With our 2024 drilling program well underway and exceeding our planned productivity levels, we continue to see Filo grow as we search for the limits of the deposit. Recent drill results have increased the known deposit length to at least 5.5km, with the deposit remaining open in several directions, particularly in the Bonita Zone, where we have several additional holes underway to help us better define this area of the deposit and investigate the link between it and the Aurora Zone to the south. We continue to target a 40,000m drilling campaign in 2024 given the high productivity levels that were achieved in the first quarter, despite a series of early winter storms that have impacted productivity subsequent to the end of the quarter. Our drilling schedule factors in lower productivity as we continue operating through the austral winter. We are looking forward to providing additional drillhole results throughout the year and are excited about an initial sulphide resource estimate at Filo which we are targeting before year end."

Q1 2024 Highlights

During and subsequent to the first quarter of 2024, the Company's highlights included:

- With 14,582m drilled during the quarter, drilling productivity has continued to improve and return long-mineralized intercepts with a goal of expanding the overall deposit size. Assay results were released covering thirteen drill-holes;
- Assay results announced for hole FSDH108 extended the Bonita Zone another 400m to the north, increasing the Filo deposit length to at least 5.5km. The results extend the entire Filo mineralized trend further north and intersected mineralization at shallower depths than previous holes drilled in this target area. The Bonita Zone remains open in all directions, and additional drillholes are underway to help better define this area of the deposit and the link between it and the Aurora Zone to the south;
- Assay results announced for hole FSDH103 intersected 1,260.0m from 296.0m in the Aurora Zone at 0.86% CuEq. The hole intersected a strongly leached zone to a depth of 296m where it entered a strong supergene enrichment zone which continued to 357m and was highlighted by an 8m section at 10.06% Cu. This intersection is just below the PFS resource pit shell, offering the opportunity for an expansion to the oxide resource;
- Assay results announced for holes FSDH097, FSDH098 and FSDH100, which span a total distance of 1.6km, expand the Filo deposit to the west along the entire distance between the holes drilled. FSDH100 is an example of the successful Aurora Zone step-out drilling conducted by the Company, adding over 500m in depth beyond the current resource pit shell and extending the western margin of the deposit by 250m;
- Assay results announced for holes FSDH093 and FSDH094, which were collared 500m apart, filled critical high-grade gaps in the Company's interpretation as well as extending Aurora to the northeast.

Q1 2024 Drilling and Assay Results

Drilling and assay results disclosed by the Company during and subsequent to the three months ended March 31, 2024 are summarized in Appendix 1 to this news release.

Outlook

Drilling continues to be the Company's primary focus with nine drill rigs operating at site. The planned 2024 drilling program is expected to be the Company's most ambitious program to date, including 40,000m of drilling planned with a renewed focus on exploration and resource growth with multiple step-out targets from

zones of known mineralization. Drilling productivity through the end of Q1 2024 exceeded expectations, and the Company has now made seasonal adjustments to continue the drilling program throughout the austral winter.

Drilling will remain a mix of both large and small step out holes in all directions from areas of known mineralization, including both the Bonita and Aurora Zones. The Company continues to maintain a strong focus on improving drill productivity through a variety of initiatives.

Data collected from the current campaign is being used to develop a comprehensive geological model which will guide further exploration and form the basis of an update to the Mineral Resource estimate by year end. The Company is continuing preliminary metallurgical testwork on the sulphide mineralization, as well as environmental and social baseline programs in support of future project permitting.

The Company's plans and timelines are subject to equipment and staff availability, along with being able to operate safely and effectively and in accordance with the Company's health and safety protocols.

Selected Financial Information

Effective January 1, 2024, the Company changed the functional currencies of its parent and subsidiary companies as well as its presentation currency from Canadian dollars ("CAD") to US dollars ("USD"). The change was enacted to reflect changes in the composition of the Company's contracts and monetary outlays being predominantly denominated in USD. The change in functional currencies is being recognized prospectively. The change in presentation currency requires retrospective restatement of all prior periods presented in the financial statements. The amounts reported in the statement of financial position as at January 1, 2023 (derived from the consolidated statement of financial position as at December 31, 2022; not presented herein) and December 31, 2023 have been restated in USD based on the closing exchange rates on December 31, 2022 and December 31, 2023, respectively. The statements of comprehensive loss, cash flows and changes in equity for the three months ended March 31, 2023 have been restated in USD based on the average exchange rate for the three months ended March 31, 2023.

The \$CAD/\$USD exchange rates used to reflect the change in presentation currency were as follows:

	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Average rate	n/a	0.7398	0.7445	0.7456	0.7344
Closing rate	0.7383	n/a	n/a	n/a	0.7561

(in thousands of US dollars) March 31, December 31, January 1,

	2024	2023	2023
		(Restated)	(Restated)
Cash and cash equivalents	54,653	81,748	55,313
Working capital	35,887	65,776	44,518
Mineral properties	7,618	7,618	7,189
Total assets	67,869	94,049	63,470

Financial Results

(in thousands of US dollars, except per share amounts)	Three months ended	
	March 31,	
	2024	2023
		(Restated)
Exploration and project investigation	31,793	25,381
General and administration ("G&A"), excluding share-based compensation expense ⁽¹⁾	1,260	1,687
Share-based compensation expense ⁽¹⁾	4,076	2,381
Net loss	33,154	22,129
Basic and diluted loss per share	0.25	0.18

(1)

The financial information in this table was selected from the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024, which are available on SEDAR+ at www.sedarplus.ca and the Company's website www.filocorp.com

Share based compensation is a non-cash cost which reflects the amortization of the estimated fair value of share options over their vesting period. The fair value of share options is calculated using the Black-Scholes pricing model, which relies heavily on the Company's share price and historical share price volatility. A portion of this expense is included in Exploration and Project Investigation expense.

For the three months ended March 31, 2024, Filo incurred a net loss of \$33.2 million (2023 - \$22.1 million), resulting mainly from an operating loss of \$36.4 million (2023 - \$29.0 million). The operating loss is offset by

a net gain of \$3.4 million from the use of marketable securities (2023 - \$6.2 million). Exploration and project investigation costs are the primary driver of the operating loss, and for the three months ended March 31, 2024, they accounted for approximately 87% of the operating loss (2023 - 87%). The Company expenses its exploration costs through the consolidated statement of comprehensive loss, except for mineral property option payments and mineral property acquisition costs, which are capitalized. The \$2.8 million period-over-period decrease in net gain from the use of marketable securities is the result of a devaluation of the Argentinian peso that occurred in December 2023, following the results of the Argentinian federal election.

Liquidity and Capital Resources

As at March 31, 2024, the Company had cash and cash equivalents of \$54.7 million and net working capital of \$35.9 million, compared to cash and cash equivalents of \$81.7 million and net working capital of \$65.8 million as at December 31, 2023. The decrease in the Company's cash and cash equivalents and net working capital is due to funds used in operations and for general corporate purposes, plus amounts used in the acquisition of equipment and facilities for the Filo del Sol Project.

The Company will continue to deploy the majority of its treasury to fund ongoing advancement of the Filo del Sol Project, and to a lesser extent, for working capital and general corporate purposes.

About Filo del Sol

Filo del Sol is a high-sulphidation epithermal copper-gold-silver deposit associated with one or more large porphyry copper-gold systems. Overlapping mineralizing events combined with weathering effects, including supergene enrichment, have created several different styles of mineralization, including structurally controlled and breccia-hosted gold, manto-style high-grade silver (+/- copper) and high-grade supergene enriched copper within a broader envelope of disseminated, stockwork and breccia-hosted sulphide copper and gold mineralization. This complex geological history has created a heterogeneous orebody which is characterized by zones of very high-grade copper +/- gold +/- silver mineralization within a large envelope of more homogeneous, lower-grade mineralization.

Qualified Persons and Technical Information

The scientific and technical disclosure for the Filo del Sol Project included in this news release have been reviewed and approved by Bob Carmichael, B.A.Sc., P. Eng. (BC). Mr. Carmichael is Filo's Vice-President of Exploration and a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. ("NI 43-101").

The field programs were carried out under the supervision of the Mr. Carmichael. Whole core was transported to the Company's core processing facility located near Rodeo, Argentina, and all sampling activities were carried out there. Diamond drill core was sampled in two 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 Mendoza, Argentina.

Samples were delivered to the ALS preparation laboratory in Mendoza where they were crushed and a 500g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to either the ALS assay laboratory in Santiago, Chile or Lima, Peru for copper, gold and silver assays and multi-element ICP and sequential copper analyses. ALS is an accredited laboratory which is independent of the Corporation. Gold assays were by fire assay fusion with AAS finish on a 30 g sample. Copper and silver were assayed by atomic absorption following a four-acid digestion. Samples were also analyzed for 36 elements with ICP-ES up to drillhole FSDH053. Starting in August 2021 with drillhole FSDH054, the multielement analyses were changed to ME-MS61 which offers ultra low detection limits for 48 elements. A sequential copper leach analysis was completed on each sample with copper greater than 500 ppm (0.05%). 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 quality assurance/quality control program.

Mineralized zones within the Filo del Sol deposit are typically flat-lying, or bulk porphyry-style zones and drilled widths are interpreted to be very close to true widths.

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: $CuEq \% = Cu \% + (0.7292 * Au \text{ g/t}) + (0.0088 * Ag \text{ g/t})$.

About Filo Corp.

Filo is a Canadian exploration and development company focused on advancing its 100% owned Filo del Sol copper-gold-silver deposit located in San Juan Province, Argentina and adjacent Region III, Chile. 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 is a member of the Lundin Group of Companies.

Additional Information

The Company's condensed interim consolidated financial statements for the three months ended March 31, 2024 and related management's discussion and analysis are available on SEDAR+ at www.sedarplus.ca and the Company's website at www.filocorp.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.

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 Corp. for publication, through the agency of the contact person set out below, on May 8, 2024 at 6:30 pm EDT.

On behalf of Filo,

Jamie Beck
President and CEO

For Further Information Please Contact:

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APPENDIX 1 - Q1 2024 DRILLING AND ASSAY RESULTS

Drilling and assay results disclosed by the Company during and subsequent to the three months ended March 31, 2024 are summarized in the following table:

Hole-ID	From	To	Length (m)	Cu	Au	Ag	CuEq ¹
	(m)	(m)		(%)	(g/t)	(g/t)	(%)

FSDH093

338.8

1,788.0

1,449.2

0.41

0.21

0.61

incl. 492.0 1,144.0 652.0 0.55 0.25 8.6 0.81

incl. 804.0 1,080.0 276.0 0.66 0.31 6.7 0.95

and incl. 1,674.0 1,750.0 76.0 0.63 0.26 2.5 0.84

FSDH094 192.0 1,490.0 1,298.0 0.59 0.40 15.0 1.01

incl. 364.0 416.0 52.0 0.59 0.47 252.4 3.15

and incl. 444.0 748.0 304.0 0.84 0.53 9.4 1.30

FSDH097 368.0 1,445.0 1,077.0 0.52 0.25 22.4 0.89

incl. 368.0 1,126.0 758.0 0.53 0.30 31.0 1.03

incl. 372.0 521.0 149.0 0.35 0.10 128.0

incl. 450.0 474.0 24.0 0.36 0.15 366.8

incl. 466.0 474.0 8.0 0.44 0.19 725.2

and incl. 707.0 944.0 237.0 0.73 0.60 3.0 1.20

FSDH098 410.0 1,363.8 953.8 0.31 0.13 2.1 0.42

FSDH100 256.0 887.3 631.3 0.38 0.35 5.8 0.68

incl. 340.0 360.0 20.0 0.42 0.29 95.8

FSDH101 540.0 1,379.5 839.5 0.31 0.11 1.8 0.41

incl. 550.0 972.0 422.0 0.38 0.13 2.3 0.50

FSDH102 12.0 699.0 687.0 0.18 0.16 4.2 0.33

incl. 250.0 478.0 228.0 0.34 0.15 2.4 0.47

incl. 250.0 349.6 99.6 0.51 0.14 2.2 0.63

FSDH103 296.0 1,556.0 1,260.0 0.58 0.36 2.4 0.86

incl. 302.0 336.0 34.0 4.33 0.97 16.8 5.19

incl. 318.0 326.0 8.0 10.06 2.36 41.3 12.14

incl. 534.0 1,048.0 514.0 0.62 0.54 2.7 1.04

FSDH104 40.0 106.0 66.0 0.17 0.15 22.4 0.48

Plus 744.0 1,336.0 592.0 0.41 0.13 3.7 0.54

incl. 890.0 1,062.0 172.0 0.45 0.17 5.8 0.63

FSDH105 714.0 1,284.0 570.0 0.34 0.10 1.4 0.43

incl. 820.0 1,050.0 230.0 0.43 0.14 1.4 0.54

FSDH106 26.0 190.0 164.0 0.15 0.10 2.3 0.24

FSDH108 69.8 79.8 10.0 0.95 0.56 36.4 1.68

incl.

216.8

1,172.0

955.2

0.36

0.15

0.50

incl. 382.0 1,006.0624.0 0.45 0.185.0 0.63

incl. 496.0 548.0 52.0 0.66 0.2831.6 1.14

FSDH111 No significant intervals

(1) 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:
$$\text{CuEq} \% = \text{Cu} \% + (0.7292 * \text{Au g/t}) + (0.0088 * \text{Ag g/t}).$$

Mineralized
zones
within
the
Filo
del
Sol
deposit
are
typically
flat-lying,
or
bulk
porphyry-style
zones
and
drilled
widths
are
interpreted
to
be
very

close
to
true
widths.

Additional information on these drilling results is disclosed in the Corporation's press releases. As of the date of this news release, additional holes have been completed with assays pending, which include:

- FSDH109
- FSDH114

Assay results for these holes will be released as they are received, analyzed and confirmed by the Company.

Cautionary Note Regarding Forward-Looking Statements

Certain statements made and information contained herein in the news release constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking information contained in this news release is based on information available to the Company as of the date of this news 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, this forward-looking information can frequently, but not always, be identified by use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "budgets", "assumes", "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. All statements other than statements of historical fact may be forward-looking statements.

The Company believes that the expectations reflected in the forward-looking information included in this news 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 news release is as of the date of this press release. In particular, this press release contains forward-looking information pertaining to assumptions made in the interpretation of drill results, geology, grade, geochemistry, potential implications of geophysics interpretations, 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, environmental and/or health and safety risks. In addition, this news release may contain forward-looking statements or information pertaining to: potential exploration upside at the Filo del Sol Project, including the extent and significance of the porphyry copper-gold system underlying the current Mineral Resource and the prospectivity of exploration targets; exploration and development plans and expenditures, including a transition to year-round operations and the timing thereof; the ability of the Company's operating protocol to continue to meet government-mandated health and safety guidelines enabling it to conduct its field programs as planned; the success of future exploration activities; potential for resource expansion; 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; plans or ability to add additional drill rigs; timing or anticipated results of an update to the mineral resource estimate for Filo del Sol; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

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.

The forward-looking statements contained in this news release are made as at the date of this news release and Filo does not undertake any obligations to publicly update and/or revise any of the included forward-looking statements, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. 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 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.

Contact

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