



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

## NEWS RELEASE

# FILO MINING REPORTS 2019 RESULTS AND PROVIDES STATEMENT ON READINESS AND RESPONSE TO COVID-19

**Vancouver, March 19, 2020: Filo Mining Corp. (TSXV: FIL) (Nasdaq First North Growth Market: FIL) ("Filo Mining" or the "Company")** is pleased to announce its results for the year ended December 31, 2019.

### HIGHLIGHTS

2019 proved to be another pivotal year for the Company as it continued to unlock value at the 100% owned Filo del Sol Project (the "Project") through ongoing exploration success while also effectively demonstrating the positive economic potential of the Project's current Mineral Resource through completion of a pre-feasibility study ("PFS"). These two key achievements only continue to underline the tremendous value of the Filo del Sol Project.

#### ***Confirmation of Large Porphyry System beneath Current Mineral Resource***

Results from the 2018/2019 drill program, which was completed in March 2019, and partial results received to date on the 2019/2020 drill program, which is currently being concluded, have clearly demonstrated the existence of a large copper-gold porphyry system underlying the current Mineral Resource and extending to the north. Highlighted results received from these two programs include:

- Diamond hole FSDH025, which was drilled during the 2018/2019 campaign through the current Mineral Resource, extended copper-gold mineralization to depths of 1,025 metres below surface, which was at the time 530 metres deeper than previously known; and
- Diamond hole FSDH032, which is a step-out hole drilled during the 2019/2020 campaign and for which partial results have been received to date, included an intercept of 600 metres at 1.12% Copper Equivalent<sup>1</sup> ("CuEq"), comprised of 0.67% Copper, 0.44 g/t Gold, and 16.2 g/t Silver. Of particular interest, this intercept begins at a depth that effectively coincides with the floor of the PFS's open pit design and mineralization remains open to the northeast.

<sup>1</sup> Copper equivalent ("CuEq") is calculated based on US\$ 2.80/lb Cu, US\$ 1,400/oz Au and US\$ 16/oz Ag. The formula is:  $CuEq \% = Cu \% + (0.7292 * Au \text{ g/t}) + (0.0083 * Ag \text{ g/t})$ .

#### ***PFS Completed on Oxide Material Yields Robust Results***

The PFS, which has an effective date of January 13, 2019, and is based on mining only the oxidized portion of the Filo del Sol deposit, was highlighted by a US\$ 1.28 billion after-tax NPV using an 8% discount rate and an IRR of 23% at US\$ 3.00/lb copper, US\$ 1,300/oz gold and US\$ 20/oz silver. The 14 year mine life is characterized by a low strip ratio of 1.5:1 (waste:ore), which includes pre-stripping.

The PFS also introduced an initial Probable Mineral Reserve estimate for the Project, which is comprised of 259.1 million tonnes at 0.39% copper, 0.33 g/t gold and 15.1 g/t silver, containing 2.2 billion pounds of copper, 2.8 million ounces of gold and 126.0 million ounces of silver. Details of this Mineral Reserve estimate are contained in the Technical Report referenced under "Additional Information" below.



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

## OUTLOOK AND STATEMENT ON READINESS AND RESPONSE TO COVID-19

Exploration results arising out of last two drill programs undertaken at the Project have confirmed the existence of a large porphyry system underlying the current Mineral Resource, which may be transformative for the flagship asset's size and scope. While the primary focus of the Company's most recent 2019/2020 field campaign has been the drilling of diamond holes to better define and extend this deeper mineralization, the Company has also drill-tested other targets on the project's extensive and largely unexplored land package, such as the Tamberias West area.

In light of the COVID-19 pandemic, the Company's 2019/2020 field program is being curtailed with demobilization of personnel and equipment currently underway. The Company is responding to COVID-19 within the framework of internal protocols, and local and national health authority requirements and recommendations. The health and safety of our employees, contractors, visitors, and stakeholders is our number one priority. Our camp facilities and offices have implemented travel restrictions, surveillance, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak, including health screening of personnel when appropriate. All non-critical business travel has also been curtailed. We will continue to monitor the situation and are prepared to implement additional changes to minimize any potential impacts of the global outbreak that might emerge at our project site or offices as necessary.

As a result of an earlier end to the 2019/2020 field program than initially planned, the Company's completed drilling will be lower than previously estimated and will total approximately 8,000 metres. Prior to the decision to conclude the field season early, the Company did successfully complete the planned drone magnetometer survey and full 3D IP geophysical survey. Despite the early curtailment to the 2019/2020 field season, the Company was able to achieve its key strategic operating objective for the season in successfully drill-testing the mineralization underlying the current Mineral Resource, as evidenced by hole FSDH032 described above.

The remaining assays results from the 2019/2020 field program will be made available as data is received and verified by the Company.

Commenting on the achievements of 2019 and the conclusion of the 2019/2020 program, Adam Lundin, Chief Executive Officer, stated, "2019 was another successful year for the Company, as we continued to advance the Filo del Sol Project and unlock the value of this remarkable asset. It is evident from hole 25 drilled last season and the results received so far from hole 32 of this season that the resource growth potential at Filo del Sol is vast. We look forward to receiving all assays from this season's exploration program and updating the market accordingly. Our original plan was to drill into April, however, as our top priority is always the safety of everyone involved, we have made the right decision to end the field season early."

## FINANCIAL RESULTS

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

	Three months ended		Year ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Exploration and project investigation	5,759	5,183	23,008	24,118
General and administration ("G&A")	2,085	1,019	4,684	4,958
Net loss	8,038	6,191	28,571	28,891
Basic and diluted loss per share	0.09	0.09	0.37	0.41

*The financial information in this table were selected from the Company's consolidated financial statements for the year ended December 31, 2019 (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).*



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

## SELECTED FINANCIAL INFORMATION

(In thousands of Canadian dollars)

	December 31, 2019	December 31, 2018
Cash	13,753	2,405
Working capital (deficit)	12,735	(602)
Mineral properties	7,312	7,118
Total assets	23,750	11,938

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 \$28.6 million during the year ended December 31, 2019, comprised of \$23.0 million and \$4.7 million in exploration and project investigation costs and G&A costs, respectively, compared to a net loss of \$28.9 million for the year ended December 31, 2018. The variance is primarily due to lower exploration and project investigation costs in 2019, as the result of the prior year reflecting higher engineering, consultation and technical costs, such as metallurgical testwork, incurred in support of the PFS then underway. This was offset by higher financing costs incurred during the year ended December 31, 2019, due primarily to Company's relative heavier use of credit facilities to fund operations during the year.

## LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company had cash of \$13.8 million and net working capital of \$12.7 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 equity financings undertaken during the year, 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 credit facilities and funds used in operations.

## Corporate Update

Mr. Ashley Heppenstall has informed the Company that he will not be standing for re-election at the Company's next Annual General Meeting scheduled for June 18, 2020. The Company thanks Mr. Heppenstall for his many years of contribution and experience to the Company's Board and wishes him the best in his future endeavours.

## 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.



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

### **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](http://www.sedar.com) and on the Company's website at [www.filo-mining.com](http://www.filo-mining.com).

The Company's consolidated financial statements for the year ended December 31, 2019 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 advisor on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 50 00, [certifiedadviser.se@paretosec.com](mailto: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 March 19, 2020 18:30 Pacific Time.

On behalf of Filo Mining,

Adam Lundin, CEO  
Filo Mining Corp.

For further information please contact:

Amanda Strong, Investor Relations, Canada at +1 604 689-7842 or [info@filo-mining.com](mailto:info@filo-mining.com); or  
Robert Eriksson, Investor Relations, Sweden at +46 701 112 615 or [eriksson@rive6.ch](mailto:eriksson@rive6.ch).

### **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



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

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 Company's plans for its 2019/2020 field program 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 prospectivity of the Tamberias West area; 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,



885 W Georgia Street  
Suite 2000  
Vancouver BC  
Canada V6C 3E8

Tel 604 689 7842  
Fax 604 689 4250

info@filo-mining.com  
filo-mining.com

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 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***