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NEWS RELEASE

FILO MINING PROVIDES UPDATE ON DRILLING; ADDS FIFTH RIG AT FILO DEL SOL

JANUARY 12, 2021: Filo Mining Corp. (TSXV:FIL) (Nasdaq First North Growth Market: FIL)(OTCQX: FLMMF) ("Filo Mining", or the "Company") is pleased to provide an update on progress of the current season's drill program at Filo del Sol.

Four diamond drill rigs are now drilling at Filo, with a fifth to be added before the end of January. Drills are currently focused on the large prospective area to the north of the Filo deposit and are targeting both extensions to the resource and areas of high potential for the discovery of new mineralization.

"We are now full steam ahead with the 2020/2021 drill campaign and are pleased to announce the addition of a fifth rig to accelerate the drill program. We are beginning with extensive drill testing north of the currently defined deposit, with hole depths targeting at least 1 kilometer, which would match the deepest holes ever drilled at Filo del Sol," commented Jamie Beck, President and CEO. *"Filo is one of the few, advanced, large-scale development opportunities set to fill an anticipated supply deficit in copper. In January 2019, we completed a pre-feasibility study on the uppermost oxide portion of the deposit, demonstrating the project's robust economic potential. With the backdrop of rising metals prices and an already compelling production case, it will be an exciting season as Filo continues to learn more about the ultimate size of the underlying sulphide mineralization."*

Hole FSDH041 is a step-out hole 200 metres to the north of FSDH032 (1,009m at 0.95% CuEq (0.57% Cu, 0.39g/t Au, 11.1g/t Ag)) which anticipates extending the mineralization.

FSDH037 is located 400 metres north of FSDH041, targeting the northern extension of the high conductivity trend which defines the northern part of the known deposit. Hole VRC092, drilled to a depth of 353m in 2015, lies halfway between FSDH041 and FSDH037 and intersected 191 metres to end the hole at 0.28% Cu and 0.11 g/t Au.

Holes FSDH043 and FSDH042 are collared respectively 580m and 910m north of FSDH037 and are targeting geophysical anomalies supported by strong alteration and soil geochemistry anomalies at surface.

The initial hole of the program, FSDH040, was abandoned at a depth of 212 metres due to challenging ground conditions in an area of the deposit that has proven historically difficult to drill. This hole was targeted on expanding the high-grade zone encountered last season in hole FSDH038 which was stopped at 383m due to the early curtailment of the season amid growing concerns over the pandemic (*the last 73m at 2.04% CuEq (1.19% Cu, 1.06g/t Au, 8.8g/t Ag)*). This remains a high priority target for the Company and we will look to re-visit this area as the season progresses.

Drilling during the 2019/2020 season demonstrated that the deposit continues strongly to depth, with intersections greater than 1 km, and the bottom of the deposit's mineralization has not yet been reached.

The 2020/2021 program is designed to explore for extensions to this deep mineralization to the north, where it remains completely wide open beyond FSDH032. Surface data (geological mapping, alteration sampling, and geochemical sampling) as well as geophysics indicate that the same geological environment that hosts the Filo del Sol deposit continues for at least 2 kilometres to the north of this hole, and drilling is planned to explore this area to a depth of at least 1,000 metres.

Jamie Beck
President and CEO

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 gold, manto-style high-grade silver (+/- copper) and high-grade supergene enriched copper within a broader envelope of disseminated 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 NOTES

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. who is the Qualified Person as defined by NI 43-101. 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 Copiapo, Chile. Samples were delivered to the ALS preparation laboratory in Copiapo 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 Santiago, Chile for copper, gold and silver assays, with a second split sent to the ALS laboratory in Lima, Peru for multi-element ICP and sequential copper analyses. ALS is an accredited laboratory which is independent of the Company. Gold assays were by fire assay fusion with AAS finish on a 30g sample. Copper and silver were assayed 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 with copper greater than 500ppm (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 QA/QC 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 (CuEq) for drill intersections is calculated based on US\$ 2.80/lb Cu, US\$ 1,400/oz Au and US\$ 16/oz Ag, with 80% metallurgical recoveries assumed for all metals. The formula is: $CuEq \% = Cu \% + (0.7292 * Au \text{ g/t}) + (0.0083 * Ag \text{ g/t})$.*

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 Venture Exchange ("TSXV") 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.

ADDITIONAL INFORMATION

The Company's certified advisor on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.com.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

The information contained in each Filo Mining news release was accurate at the time of dissemination but may be superseded by subsequent news release(s).

The information in this release is subject to the disclosure requirements of Filo Mining under the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out below, on January 12, 2021 at 02:30 EST.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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 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; 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 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; 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.

