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## NEWS RELEASE

# Filo Mining Reports Q1 2022 Results; Extends Breccia 41 and Confirms Continuity of Grades within Aurora Zone

Vancouver, May 4, 2022: Filo Mining Corp. (TSX: FIL) (Nasdaq First North Growth Market: FIL) (OTCQX: FLMMF) ("Filo Mining" or the "Company") announces its results for the three months ended March 31, 2022.

## HIGHLIGHTS AND OUTLOOK

***Ongoing 2021/2022 campaign continues to deliver exploration success, extending one of the high-grade breccias, and defining continuity of strong mineralization in the Aurora Zone***

Jamie Beck, President & CEO, commented, *"To date, the 2021/2022 program at Filo del Sol has already returned the best silver intersection ever at the project, extended the high-grade Breccia 41 zone, and demonstrated continuity of strong mineralization within the Aurora Zone. Several holes are currently underway, and four holes have now been completed with assays pending. The completed holes include holes 55C, 57 and 59 which will look to extend the high-grade Breccia 41 mineralization to the north by up to 200m, while hole 60 tests the sparsely drilled area north of Hole 37, potentially expanding the north-south expanse of the deposit significantly. With the closing of the \$100 million, non-brokered private placement to BHP earlier this year, the Company is well funded to ramp up our exploration efforts, and we are excited to embark on our first ever drill program throughout the upcoming South American winter months."*

On March 11, 2022, the Company closed the sale of 6,270,000 common shares to BHP Western Mining Resources International Pty Ltd, a wholly owned subsidiary of BHP Group Limited (collectively, "BHP"), by way of a non-brokered private placement, 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). Share issuance costs related to the Private Placement totaled \$0.3 million, and comprised of professional fees and regulatory fees. No finder's fee or commissions were payable in connection with the Private Placement.

The closing of the Private Placement has provided Filo Mining with valuable operational flexibility as it seeks to expediently and efficiently define the Filo del Sol deposit, which has the potential to be a generational discovery and significant asset in an emerging copper-gold-silver district.

As of the date of this News Release, the Company's 2021/2022 drill campaign has been expanded to seven diamond rigs, with an additional reverse circulation ("RC") rig. The RC rig is being used to pre-collar holes in the challenging, intensely altered rock overlying Breccia 41 in order to improve drill productivity and hole completion rates. The Company intends to have these rigs turning through the winter season in South America, thereby operating year-round for the first time in the history of Filo del Sol. In addition, the Company is also reviewing the possibility of adding additional rigs to the program following the South American winter to further expedite advancement of the Filo del Sol project.

To date, assays results have been received for five completed holes from the ongoing program, which has already extended the high-grade mineralization of Breccia 41, confirmed the continuity of strong mineralization within the broader Aurora Zone, and served as a reminder of the remarkable metal content of the deposit, which provides optionality for future development and project financing scenarios. Select highlights from the program so far include:

- FSDH054 intersecting 172m at 3.22% CuEq (1.51% Cu; 1.42g/t Au; 75.9g/t Ag) from a depth of 830m 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. This hole was collared 60m east of, and drilled parallel to, FSDH041 and the mineralization intersected is completely outside of the current Mineral Resource, successfully extending Breccia 41;
- FSDH055A, which 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;
- FSDH056, which intersected 502m at 0.89% CuEq (0.50% Cu; 0.40g/t Au; 11.4g/t Ag) from a depth of 168m, ending in over 1% CuEq mineralization at a depth of 670m, where it was abandoned due to poor ground conditions; and
- FSDH058 returning 1,252m at 0.91% CuEq (0.56% Cu; 0.41g/t Au; 6.6g/t Ag) from a depth of 100m, including 310m at 1.40% CuEq (0.87% Cu; 0.62g/t Au; 8.2g/t Ag) from a depth of 600m. This hole confirmed continuity of strong mineralization within the Aurora Zone, particularly connecting to hole FSDH048 which is 160m to the southeast. This hole was drilled to a final depth of 1,352m and is outside of the resource shell below a depth of 380m.

Assay results to date from the 2021/2022 drill program 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
incl.	435.9	442.0	6.1	0.59	0.24	127.5	1.89
incl.	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	
FSDH055B	366.0	428.0	62.0	0.01	0.61	280.5	
FSDH056	168.0	670.2	502.2	0.50	0.40	11.4	0.89
incl.	388.0	670.2	282.2	0.68	0.39	17.9	1.13
and incl.	420.0	432.5	12.5	0.39	0.93	135.8	
FSDH058	100.0	1,351.5	1,251.5	0.56	0.41	6.6	0.91
incl.	500.0	1,004.0	504.0	0.77	0.54	7.4	1.23
and incl.	600.0	910.0	310.0	0.87	0.62	8.2	1.40
and incl.	232.0	238.0	6.0	0.24	0.24	398.3	

Four additional holes have been completed with assays pending. Holes FSDH055C, FSDH059 and FSDH057 are respectively 50m, 100m and 200m step-outs from FSDH041 and have the potential to extend the high-grade mineralization of Breccia 41 to the north. The fourth hole, FSDH060, was completed to a final depth of 1,070m, approximately 2km north of FSDH041, and tests the north-south expanse of the Filo del Sol deposit. Assay results for these holes will be released as they are received, analyzed and confirmed by the Company.

As part of its ongoing work programs, the Company has also initiated 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)*

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Exploration and project investigation	14,869	12,519
General and administration ("G&A")	2,066	695
Net loss	14,400	10,431
Basic and diluted loss per share	0.12	0.09

The financial information in this table were selected from the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 (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)*

	<b>March 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
Cash	111,425	19,417
Working capital	100,112	13,052
Mineral properties	8,391	8,063
Total assets	122,872	30,660

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 \$14.4 million during the three months ended March 31, 2022, comprised primarily of \$14.9 million in exploration and project investigation costs and \$2.1 million in G&A costs, which were partially offset by a gain of approximately \$2.0 million resulting from the use of marketable securities for the purposes of facilitating intragroup funding transfers (a "Funding Gain"). For the 2021 comparative period, the Company reported a net loss of \$10.4 million, consisting mainly of \$12.5 million in exploration and project investigation costs and \$0.7 million in G&A costs, which were partially offset by a Funding Gain of \$2.6 million.

**LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2022, the Company had cash of \$111.4 million and net working capital of \$100.1 million, compared to cash of \$19.4 million and net working capital of \$13.1 million as at December 31, 2021. The increase in the Company's cash and net working capital is due to \$99.7 million in net proceeds generated by the Private Placement and \$0.5 million in gross proceeds received by the Company in relation to the exercise of stock options during the three months ended March 31, 2022. These cash inflows have been partially offset by funds used in operations, including amounts used in the acquisition of equipment and facilities for the Filo del Sol project, and for general corporate purposes.

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

**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**

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, January 19, 2022, and April 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 condensed interim consolidated financial statements for the three months ended March 31, 2022 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 May 4, 2022 at 7:00 pm EDT.

On behalf of the board of directors of Filo Mining,

Jamie Beck, President and CEO  
Filo Mining Corp.

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### 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 additional rigs, 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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