

Filo Mining intersects 2.06% copper over 71 metres, 1.04 g/t gold over 42 metres and 565.1 g/t silver over 16 metres at the Filo del Sol deposit, confirms new gold zone at Filo South

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 17, 2017) - Filo Mining Corporation (TSX VENTURE:FIL) (NASDAQ OMX:FIL) ("Filo Mining" or the "Company") is pleased to provide a summary of the overall results of the 2016 / 2017 program at the Filo del Sol project, including the results of the final 14 holes from the recently completed 41 hole drill program, and an outline of the next steps for the project. The results released today continue to confirm and define the shallow gold oxide and high-grade copper and silver zones in the Filo del Sol deposit, and demonstrate the potential for significant new zones of shallow oxide gold and copper mineralization one kilometre south of the current resource at the Filo South zone.

[Please click here to view video summary of today's release.](#)

[Please click here to view resource video.](#)

A total of 8,616 metres was drilled in 41 holes during the exploration program which was completed on March 28th. The results presented here are from two areas: the Filo del Sol deposit and the Filo South zone. Intersections from the Filo del Sol deposit are from infill holes contained within the current Mineral Resource estimate, while those from the Filo South zone are entirely outside the current resource. Unless otherwise stated the results presented here are from the final 14 holes of the program. For further information on earlier holes the reader is referred to News Releases dated February 15, 2017 and April 10, 2017. Detailed drilling results and a drill hole location map are included at the end of this release.

Filo Mining CEO Wojtek Wodzicki commented, "We had a very successful exploration season at Filo del Sol. We believe that we have enhanced the existing resource and have made a significant new discovery in the Filo South area. Our drilling has demonstrated that we have an important oxide gold zone in the upper part of the current resource. The infill holes into the copper and silver zones have highlighted the impressive grades and thicknesses present in the high-grade portions of these zones. Today's results set us up for an eventful second half of the year. In the coming months we will incorporate this season's drill results into an updated resource estimate, and receive results from our phase 2 metallurgical program which will provide the information to begin engineering studies during the third quarter."

Filo del Sol Deposit Infill Drilling

Successful Infill Program: The infill drill program was very successful and is expected to convert a portion of the current Inferred Resource to Indicated. Infill drilling continued to confirm the deposit geometry, intersecting three discrete zones of mineralization. From top to bottom these are a gold oxide zone, a high grade copper oxide zone and a high grade silver zone. These three zones are underlain by primary sulphide mineralization containing both copper and gold which remains open at depth. This year's drilling focused on definition of the upper three zones and most holes were terminated at the contact with the underlying sulphide mineralization. Hole VRC100 summarized below is a good example of a hole which intersected all three zones.

- Gold Oxide Zone: 52 metres @ 0.51 g/t Au
- Copper Oxide Zone: 60 metres @ 1.01% Cu and 0.24 g/t Au,
- High grade Silver Zone: 34 metres @ 138.1 g/t Ag, including 16m @ 227.5 g/t Ag.

Expanded gold oxide zone: The drill program expanded and further defined the gold oxide zone, with 11 new intersections. This year's drilling has increased the dimensions of this zone to approximately 700 metres north-south by 350 metres east-west. The intercepts from this year include some of the best gold mineralization drilled at Filo del Sol to date and it is anticipated that this zone will form an important part of the updated resource estimate. Notable new results announced today include:

- VRC132: 42 metres at 1.04 g/t gold;
- VRC126: 20 metres at 0.82 g/t gold;

Confirmed high grade copper oxide zone: Beneath the gold oxide zone is a discrete, high-grade copper oxide zone with associated gold. The copper zone has a very sharp upper contact, often going from <0.10% Cu to >1.00% Cu within less than a metre. The drill holes reported today are infill holes that are expected to convert a portion of the Inferred Resource to Indicated. Notable new results announced today include:

- VRC100: 60 metres @ 1.01% Cu, including 26 metres @ 1.56% Cu;
- VRC123: 33 metres @ 0.50% Cu;

- VRC125: 71 metres @ 2.06% Cu, including 30 metres @ 3.03% Cu;
- VRC132: 28 metres @ 0.91% Cu;

Confirmed high grade silver zone: A flat-lying, stratiform silver-rich zone underlies the copper oxide zone in most areas of the deposit. This zone has been intersected over a north-south distance of 1.5 kilometres and an east-west distance of 400 metres. Three of the holes announced today intersected this zone within the current resource and are expected to convert a portion of the Inferred Resource to Indicated.

- VRC100: 34 metres @ 138.1 g/t Ag, including 16 metres @ 227.5 g/t Ag);
- VRC126: 20 metres @ 105.7 g/t Ag, including 6 metres @ 208.0 g/t Ag);
- VRC132: 34 metres @ 285.1 g/t Ag, including 16 metres @ 565.1 g/t Ag).

Holes VRC100 and VRC126 were terminated in high-grade silver mineralization due to drilling difficulties.

New Discovery at the Filo South Area

Drilling in the Filo South area followed up on historic drill holes and more recent surface trenches which intersected significant copper and gold mineralization but were spaced too far apart to allow for correlation between holes or an estimation of the size of the zones. Following this year's drilling Filo South is characterized by a variety of mineralized intersections over an area of 1,000 metres north-south by at least 500 metres east-west. Mineralization appears to be related to the oxidized upper portion of a significant porphyry system and is distinct from the high-sulphidation epithermal mineralization at the Filo del Sol deposit proper. Following this season's drill program, mineralization in Filo South has tentatively been subdivided into three zones:

Filo South gold zone: Drilling has started to outline an area of oxide gold mineralization extending from the surface to an average depth of approximately 100 metres. Drill holes VRC133 and VRC134 (see below), stepped out from historic hole RCVI16 (116m @ 0.52 g/t Au) and previously announced VRC109 (94m @ 0.56 g/t Au) and intersected broad zones of similar grade oxidized gold mineralization:

- VRC133 56 metres @ 0.53 g/t Au from surface, including 0.88 g/t Au upper 16 metres.
- VRC134 100 metres @ 0.57 g/t Au from 6 metres, including 28 metres @ 0.80 g/t

Together with RCVI16 and VRC109, these holes outline a continuous, shallow oxide gold zone across approximately 400 metres in a northeast-southwest direction (see attached section). To the northwest, the nearest hole, located 200 metres away, is RCVI12 (18m @ 1.28 g/t Au starting at 4 metres). Additional drilling will be needed to fully define the size and grade of this new zone.

Filo SW copper zone: Previously released drill holes VRC110, VRC111, VRC112, VRC113 and VRC119 followed up a shallow copper oxide zone originally drilled in hole RCVI02 (40m @ 1.19% Cu). These drill holes all intersected similar widths and grade, and are starting to outline a zone with a strike length of at least 320 metres and possibly up to 570 metres assuming continuity with a previous hole (VRC008 - 38m @ 0.61% Cu) which is along trend to the southeast. These drill holes were announced in a News Release dated April 10, 2017 and are included here as part of the summary of the results of the whole program.

Filo Northeast copper-gold zone: Hole VRC103 (see April 10, 2017 News Release) discovered a new area of copper mineralization which was followed up by hole VRC128, collared 150 metres to the northwest. VRC128 was successful in intersecting the copper zone, with 16 metres @ 0.87% Cu and 0.32 g/t Au. It is not yet clear how the mineralization in this area relates to the other zones.

Mineralization at Filo South is not currently included in the current Filo del Sol resource estimate, and it is anticipated that the upcoming resource estimate will establish an initial resource for this high-priority area. The newly discovered zones in the Filo South Area all remain open for expansion and will require further drilling to fully delineate them.

Next Steps

- Resource Update: We expect to complete an updated resource estimate including all of this year's drilling by the third quarter of 2017.
- Metallurgical test work: Approximately 2.8 tonnes of material from the oxide gold and copper zones were collected and submitted to SGS Lakefield laboratory for column leach testing. Additional material from drill samples was submitted for test work on the silver zone. Results are expected early in the third quarter of 2017.
- Internal Scoping Study: Once the resource update and metallurgical test work is complete, we expect to do an internal scoping study that will analyze various development options. The work is expected to be completed during the third quarter allowing a decision on whether to proceed to a Preliminary Economic Assessment early in the fourth quarter of 2017.

Drill Results

FILO DEL SOL DEPOSIT INFILL

HOLE-ID	From (m)	To (m)	Length (m)	Au g/t	Cu %	Ag g/t
VRC100	128	180	52	0.51	0.02	1.7
incl	132	134	2	1.78	0.03	0.5
and incl	150	154	4	1.81	0.02	2.3
and incl	172	174	2	1.18	0.02	1.5
plus	236	296	60	0.24	1.01	1.8
incl	246	272	26	0.29	1.56	1.6
plus	296	330	34	0.22	0.38	138.1
incl	308	324	16	0.22	0.50	227.5
VRC122B	24	56	32	0.48	0.02	0.7
plus	208	234	26	0.70	0.03	3.4
VRC123	242	275	33	0.21	0.50	0.8
VRC124	No Significant Values					
VRC125	158	176	18	0.65	0.14	1.5
plus	176	247	71	0.26	2.06	2.4
incl	182	212	30	0.24	3.03	2.9
VRC126	112	132	20	0.82	0.03	0.6
incl	122	126	4	2.51	0.04	0.5
plus	310	330	20	0.37	0.42	105.7
incl	318	324	6	0.33	0.37	208.0
VRC131	210	218	8	0.58	0.22	77.3
VRC132	168	232	64	0.80	0.05	8.4
incl	180	222	42	1.04	0.05	7.3
plus	232	260	28	0.12	0.91	8.5
plus	352	386	34	0.22	0.29	285.1
incl	352	368	16	0.21	0.44	565.1

FILO SOUTH EXTENSION

HOLE-ID	From (m)	To (m)	Length (m)	Au g/t	Cu %	Ag g/t
VRC127	90	144	54	0.36	0.35	0.8
incl	90	104	14	0.18	0.50	0.6
and incl	104	142	38	0.41	0.30	0.9
VRC128	0	150	150	0.47	0.27	1.9
incl	28	102	74	0.51	0.22	1.1
and incl	108	124	16	0.32	0.87	3.0
VRC129	4	40	36	0.41	0.19	1.5
plus	62	66	4	0.35	1.17	1.0
VRC130	38	74	36	0.14	0.41	0.9
VRC133	0	56	56	0.53	0.03	6.2
incl	0	16	16	0.88	0.03	6.1
VRC134	6	150	144	0.51	0.02	4.5
incl	10	110	100	0.57	0.01	5.9
incl	10	38	28	0.80	0.01	14.7
and incl	64	110	46	0.62	0.02	2.2

Mineralized zones within the Filo del Sol deposit are typically flat-lying, and drilled widths are interpreted as close to true widths.

Hole-ID	East (m)	North (m)	Elev. (masl)	Length (m)	Azimuth	Dip
VRC100	434995	6848496	5257	330.0	240.0	-74.0

VRC122B	434823	6848403	5294	234.0	90.0	-70.0
VRC123	435007	6848799	5242	276.0	350.0	-70.0
VRC124	434997	6849007	5320	200.0	0.0	-90.0
VRC125	435087	6848319	5206	247.0	190.8	-70.0
VRC126	434998	6848501	5255	330.0	142.0	-80.0
VRC127	435107	6847204	5195	150.0	0.0	-90.0
VRC128	435086	6847308	5195	150.0	0.0	-90.0
VRC129	435197	6847353	5186	126.0	0.0	-90.0
VRC130	435437	6846623	5366	392.0	45.0	-60.0
VRC131	434811	6848211	5269	246.0	90.0	-70.0
VRC132	434827	6848290	5287	408.0	90.0	-70.0
VRC133	434846	6846917	5128	156.0	0.0	-90.0
VRC134	434716	6846882	5124	150.0	0.0	-90.0

About Filo del Sol

Filo Mining's flagship project is its 100% controlled Filo del Sol Project located on the border between San Juan Province, Argentina and Region III, Chile. Filo del Sol is located between the prolific Maricunga and El Indio Gold Belts, two major mineralized trends that contain such deposits as Caspiche, La Coipa, Veladero, El Indio, and Pascua Lama. The region is mining-friendly and hosts a number of large scale mining operations. The project area is covered under the Mining Integration and Complementation Treaty between Chile and Argentina, which provides the framework for the development of cross border mining projects.

Qualified Persons

Technical disclosure for the Filo del Sol Project included in this press release, has been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is Filo Mining's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

The Quality Control/Quality Assurance (QA/QC) program for the Filo del Sol Project is under the management of Diego Charchafie MSc., P.Geo (BC), a Qualified Person pursuant to NI 43-101.

Samples were collected at the drill site by Company personnel with initial splitting carried out at a facility near the drill sites and final splitting completed at the Company's core processing facility located in San Juan, Argentina. Individual samples represent final splits from 2 metre intervals down the hole. Samples were delivered to the ALS laboratory in Mendoza, Argentina. Samples were crushed, split and 500g was pulverized to 85% passing 200 mesh. Gold analyses were by fire assay fusion with AAS finish on a 30g sample. Copper and silver were analysed by atomic absorption following a 4 acid digestion. Samples were also analyzed for a suite of 36 elements with ICP-ES. 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 correspond to Quality Control samples.

Additional Information

Filo Mining is listed on the TSX-V and Nasdaq First North Exchange under the trading symbol "FIL". Pareto Securities AB is the Company's Certified Adviser on Nasdaq First North.

This information is information that Filo Mining Corp. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on May 17, 2017 at 2:30 p.m. Vancouver time.

On behalf of the board of directors of Filo Mining,

Wojtek Wodzicki, President and CEO, Filo Mining

Neither 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 release.

Cautionary Note Regarding Forward-Looking Statements

Certain statements made and information contained herein in the press 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 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, 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", "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", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof.

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 cost estimates, changes in commodity prices, currency fluctuation, financing, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of financing, 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 more fully described under "Risk Factors" and elsewhere in the Company's most recent Annual Information Form available under the Company's profile at www.sedar.com and on the Company's website. These risks and factors 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 statements and 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 statements and information should not be unduly relied upon. This statement and information speaks as of the date of the press release. In particular, this press release contains forward-looking statements or information statements with respect to the assumptions used in the mineral resource estimates for the Filo del Sol project, the expected conversion of a portion of current Inferred Resources to Indicated Resources; expected timing for completion of an updated mineral resource estimate, expected timing of metallurgical test work results, the completion of an internal scoping study; the decision on whether to proceed with a Preliminary Economic Assessment; potential for the discovery of new zones and mineral deposits; expectations with regard to adding to mineral resources through exploration; ; availability of funding; ability to execute the Planned Work programs; estimation of commodity prices, mineral resources, 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.

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.

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 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.

To view the Plan Map, please visit the following link: <http://media3.marketwire.com/docs/fil0517planmap.pdf>.

To view the South Gold Zone Section, please visit the following link: <http://media3.marketwire.com/docs/fil0517southgoldzonesection.pdf>.

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