

Filo Mining Reports 2016 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - March 28, 2017) - Filo Mining Corporation (TSX VENTURE:FIL)(NASDAQ OMX:FIL) ("Filo Mining" or the "Company") is pleased to announce its results for the three months and year ended December 31, 2016.

HIGHLIGHTS

Following completion of a plan of arrangement on August 16, 2016, whereby NGEx Resources Inc. ("NGEx") spun out the Filo del Sol copper-gold-silver mineral exploration project ("Filo del Sol" or the "Filo del Sol Project"), along with \$3.0 million in cash (the "Arrangement"), the Company has achieved several important milestones, including:

- Closing a private placement of 10,000,000 common shares of the Company on November 16, 2016, for gross proceeds of \$20 million (the "Private Placement"). Net proceeds from the Private Placement totaled \$19.5 million, and have been directed toward advancing the Filo del Sol project and for general corporate and administrative costs.
- Successful completion of the 2016/2017 exploration program in March 2017. The program included the collection of representative sample material for metallurgical testing and approximately 8,600 metres of reverse circulation drilling. The objectives of the drill program included converting Inferred resources to the Indicated classification, expanding the current resource, and testing a number of high-quality exploration targets within 2 km of the Filo del Sol deposit (see News Release dated January 20, 2017).
 - Assay results described more completely in a news release dated February 15, 2017, confirm the presence of higher grade zones within the oxide gold zone of the current resource. Highlights include intercepts of 84 metres at 1.36 g/t gold and 78 metres at 1.02 g/t gold, which represent the best and third best gold intersections in the Filo del Sol deposit to date as measured by gold grade times width. The remainder of assay results are expected to be received in April, 2017.
- Completion of initial metallurgical testwork on samples collected from the Filo del Sol Project, which have yielded encouraging results from bottle roll and sequential leach tests. The bottle roll tests yielded in 95.1% copper recovery on material collected from the oxide copper zone, 93.2% gold recovery in the oxide gold zone, and 92.4%, 88.6%, and 92.7% recoveries, respectively for copper, gold and silver, from the silver zone of the Filo del Sol deposit. The sequential leach test which tests the potential to recover both copper and gold from the mineralized material provided 94% copper recovery and 87% gold recovery (see News Release dated October 11, 2016).

Mr. Wojtek Wodzicki, President and CEO commented, "Filo Mining is off to a strong start. We successfully completed the spin-out of the Filo del Sol business from NGEx and strengthened the balance sheet with the \$20 million private placement in November, and we have now successfully completed an ambitious 2016/2017 exploration program on time and on budget. We are encouraged by the drill and metallurgical test results received to date, and we think that they support our views on the strength and upside of the project. We expect a busy second quarter of 2017 during which we plan to update the Mineral Resource estimate, complete additional metallurgical testwork, and decide on whether to begin a formal PEA on the project."

FINANCIAL RESULTS

(In thousands of Canadian dollars, except per share)

	<i>amounts)</i>			
	Three months ended		Year ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Exploration expenses	4,403	441	6,477	9,581
General and administration ("G&A")	976	66	2,183	1,411
Net loss	5,297	1,197	8,666	11,817
Basic and diluted loss per share	0.09	0.02	0.16	0.23

SELECTED FINANCIAL INFORMATION

	<i>(In thousands of Canadian dollars)</i>	
	December 31,	December 31,
	2016	2015
Cash	19,465	271
Working capital	17,653	161
Mineral properties	6,091	5,951
Total assets	26,151	6,355

The net loss for the year ended December 31, 2016 totaled \$8.7 million, compared to a net loss of \$11.8 million in 2015, and is largely driven by levels of exploration activity undertaken during the respective periods. This decrease is due to the year ended December 31, 2015 reflecting the execution of a larger exploration program, which included more than 5,000 metres of drilling, whereas by comparison, during the year ended December 31, 2016, the Company focused on completing the Arrangement, and therefore exploration programs were kept minimal during the 2015/2016 season. This was partially offset by higher G&A costs during the year ended December 31, 2016, due to the additional corporate and legal costs associated with having establishing Filo Mining as a stand-alone public entity.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2016, the Company had cash of \$19.5 million and net working capital of \$17.7 million, compared to cash of \$0.3 million and net working capital of \$0.2 million as at December 31, 2015. The increase in cash and net working capital is primarily the result of the receipt of \$3.0 million in cash from NGEx pursuant to the Arrangement, as described above, and the receipt of \$19.5 million in net proceeds upon completion of the Private Placement. The Private Placement closed on November 16, 2016, and a finders' fee of \$0.5 million was paid in connection with a portion thereof.

The Company's treasury will be used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Other than for general corporate and administrative costs, the majority of funds held by Filo Mining are directed towards exploration in South America.

Based on Filo Mining's financial position at December 31, 2016, the Company has a strong treasury to support its ongoing exploration initiatives and general corporate activities, while being able to exercise a high degree of flexibility in adapting its work programs and expenditures to changes in market conditions, as necessary.

SUMMARY AND OUTLOOK

With an experienced board of directors and management team, and a treasury of approximately \$19.5 million as at

December 31, 2016, Filo Mining is well positioned to advance the Filo del Sol Project while also remaining flexible and responsive to continuing volatility in the resource sector.

The focus for the Company during the first quarter of 2017 has been the completion of a comprehensive field program, designed to collect data required for initial engineering studies. The program included approximately 8,600 metres of a mix of infill drilling, to update the current resource, and exploration drilling to test compelling new targets outside the current resource. The focus of the drilling was on the oxidized portion of the system and the program was completed in March, 2017. Initial assay results from the drill program were released on February 15, 2017, and the remaining assay results are expected to be available in April, 2017.

The infill drill holes were intended to establish the internal grade continuity of the deposit and to begin to convert a portion of the Inferred resource to the Indicated category, while the objective of the step-out holes north and south of the current resource was the expansion of the current resource. The exploration holes at Filo North, Filo South and Cerro Vicuña will assist in evaluating these prospective targets, and have the potential to add satellite mineralization to the main Filo del Sol resource. Upon receipt of complete results from the drill program, the Company plans to update the mineral resource estimate for the Filo del Sol Project.

In addition to the drilling, the Company is conducting a more extensive program of metallurgical testwork to follow up on the encouraging initial results received in October, 2016. The Company plans to complete column leach tests which will provide information on the optimum fragment size for leaching and more information on how the mineralized material will behave on a leach pad. This information, together with an updated resource estimate, is expected to provide the information needed for a preliminary internal conceptual study of development options. This work is expected to allow the Company to decide whether to initiate a formal preliminary economic assessment of the Filo del Sol Project later this year.

CORPORATE UPDATE

In addition to the previously announced appointment of Mr. Pablo Mir to the Company's Board of Directors effective November 28, 2016, Filo Mining also provides the following corporate update on its management team:

- On November 28, 2016, Mr. Jeff Yip was appointed Chief Financial Officer. Mr. Yip is a member of the Chartered Professional Accountants of British Columbia (CPA, CA) and also currently serves as the CFO of Orca Gold Inc., an Africa-focused gold exploration company listed on the TSX Venture Exchange. Mr. Yip replaces Ms. Joyce Ngo, the Company's former Interim Chief Financial Officer.
- On February 1, 2017, Mr. James Beck was appointed Vice President, Corporate Development and Projects. Mr. Beck is a registered Professional Engineer in the province of Ontario, holds a Bachelor of Applied Science from Queen's University and an MBA from the University of British Columbia, and also serves as the Vice President, Corporate Development and Projects of NGEx. Mr. Beck previously held the position of Director, Corporate Development.

About Filo Mining

Filo Mining is a Canadian mineral exploration company which holds a 100% interest in the Filo del Sol Project on the border of Argentina's San Juan Province and Chile's adjacent Region III. 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. Built on a foundation of experienced management and focused on advancing exploration projects in Chile and Argentina, Filo Mining is well positioned to build shareholder value through discovery and resource development.

Additional information

The Company's consolidated financial statements for the year ended December 31, 2016 and related management's discussion and analysis are available on the Company's website at www.filo-mining.com or under its profile on SEDAR at www.sedar.com.

This information was submitted by Filo Mining Corp. for publication, through the agency of the contact person set out below, on March 28, 2017 at 5:15 pm Pacific time.

On behalf of the board of directors of Filo Mining,

Wojtek Wodzicki, President and CEO

Filo Mining Corp.

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 use of proceeds, 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 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 uncertainties and other factors, 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 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 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 mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; use of proceeds from the Private Placement; 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.

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.

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.

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