

Filo Mining Reports Third Quarter 2016 Results

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov. 28, 2016) - Filo Mining Corporation(TSX VENTURE:FIL) (NASDAQ OMX:FIL) ("Filo Mining" or the "Company") is pleased to announce its results for the three and nine months ended September 30, 2016.

HIGHLIGHTS

On August 16, 2016, NGEx Resources Inc. ("NGEx") and Filo Mining, a then wholly owned subsidiary of NGEx, completed a plan of arrangement under the Canada Business Corporations Act whereby NGEx transferred to Filo Mining its wholly-owned subsidiaries that directly or indirectly hold 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 Filo Mining common shares began trading on the TSX Venture Exchange and the Nasdaq First North Exchange on August 26, 2016 and September 6, 2016, respectively, under the trading symbol "FIL".

The Arrangement was designed to provide the newly spun-out entity more flexibility in advancing the Filo del Sol Project, while also avoiding dilution of the other projects within NGEx's portfolio. With the Arrangement completed, management is excited to move forward to unlock the potential value of the Filo del Sol Project for shareholders, and on November 16, 2016, the Company closed a \$20 million private placement, which will provide the Company with a strong financial position in its pursuit of building Filo Mining into a premier, South American-focused mineral exploration company.

Mr. Wojtek Wodzicki, President and CEO commented, "Following the successful spin-out of the Filo del Sol from NGEx and the closing of the recent \$20 million equity financing, Filo Mining is well poised for advancing its 100% controlled flagship Filo del Sol Project. With less than 20% of the total project area explored to date, Filo del Sol has significant upside exploration potential which we will be looking to convert into shareholder value throughout the recently commenced 2016/2017 field season in Chile and Argentina."

FINANCIAL RESULTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Exploration expenses	457	510	2,074	9,141
General and administration ("G&A")	401	312	1,207	1,345
Net loss	860	826	3,368	10,620
Basic and diluted loss per share	0.02	0.02	0.07	0.21

SELECTED FINANCIAL INFORMATION

(In thousands of Canadian dollars)

	September 30, 2016	December 31, 2015
Cash	2,642	271
Working capital	2,482	161
Mineral properties	6,066	5,951
Total assets	9,150	6,355

Filo Mining incurred net losses of \$0.9 million during the current quarter, comprised of \$0.5 million and \$0.4 million in exploration and project investigation costs and administrative costs, respectively, which is consistent with the comparative period. The third quarter generally exhibits lower exploration costs as field work ceases through the South American winter season due to weather conditions, but entering the 2016/2017 field season and with the Company's treasury replenished by the aforementioned \$20 million private placement, the Company will continue metallurgical testwork, while also advancing the Filo del Sol Project through an 8,000 metre drill program, consisting of both infill holes into the Inferred resource and exploration holes at new prospective targets.

The net loss for the nine months ended September 30, 2016 totaled, \$3.4 million, compared to a net loss of \$10.5 million in the comparative 2015 period, and is largely driven by levels of exploration activity undertaken

during the respective periods. This decrease is due to the nine month 2015 comparative period reflecting the execution of a larger exploration program, which included more than 5,000 metres of drilling, whereas by comparison, during the nine months ended September 30, 2016, the Company focused on completing the Arrangement, and therefore exploration programs were kept minimal during this period of reorganization.

Following completion of the Arrangement, the Company has formalized a cost-sharing arrangement with NGEx, upon which both NGEx and Filo Mining would benefit from cost synergies of sharing certain corporate administrative and overhead costs going forward.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2016, the Company had cash of \$2.6 million and net working capital of \$2.5 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 (see Plan of Arrangement and Continuity of Interest section above).

On November 16, 2016, Filo Mining completed a private placement of 10,000,000 common shares of the Company at a price of \$2.00 per share for gross proceeds of \$20 million (the "Private Placement"). A finders' fee of \$0.5 million was paid in connection with a portion of the Private Placement. The net proceeds received by the Company upon completion of the Private Placement totaled \$19.5 million, which 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 September 30, 2016, and the net proceeds generated by closing of the Private Placement on November 16, 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.

2017 WORK PROGRAM

With an experienced board of directors and management team, and a treasury in excess of \$21 million, Filo Mining is well poised to advance the Filo del Sol Project while also remaining flexible and responsive to continuing volatility in the resource sector.

For the remainder of 2016 and into early 2017, focus for the Company will be on the implementation of a comprehensive field program which will collect data required for initial engineering studies and begin to test some of the compelling exploration targets on the property. The focus will be on the oxidized portion of the system and on evaluating its potential to be processed by heap leaching. A total of 8,000 metres of drilling is planned for the season. The program is designed to include infill holes into the resource area, step-out holes to expand the resource, and exploration holes which will test three high-quality exploration targets within 2 km of the resource. Infill drill holes will establish the internal grade continuity of the deposit and will begin to convert a portion of the Inferred resource to the Indicated category. The Filo del Sol resource remains open along strike both to the north and south, and step-out holes, if successful, could lead to an increase in the resource. Drilling is scheduled to begin in early December, 2016. Upon completion of the drill program the Company will update the resource.

The exploration holes will test targets that have the potential to discover new types of mineralization within the large alteration system. Three target areas will be tested initially: Filo North; Tamberias; and Cerro Vicuña. Filo North lies between 1 and 2 km north of the deposit in an area thought to host a feeder zone to the deposit mineralization. Evidence is provided by surface geochemistry, geophysics and detailed studies of the zonation of alteration minerals.

In addition to the drilling, the Company will conduct a more extensive program of metallurgical testwork to follow up on the encouraging initial results received this quarter.

The Company plans to complete column leach tests which will provide information on the optimum fragment size for leaching and will provide 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 an updated internal conceptual study of development options and allow the company to decide whether to initiate a formal preliminary economic assessment of the project later in 2017.

CORPORATE UPDATE

The Company has appointed Mr. Pablo Mir to the Company's Board of Directors effective as of November 28, 2016. Mr. Mir practices in the area of natural resources law with a focus on mining. He is a senior partner of the

Chilean law firm Bofill Mir & Alvarez Jana, one of the largest in Chile, where he leads the natural resources practice. Mr. Mir has advised international mining companies on the exploration, development, financing, construction, and acquisitions of mining projects in Chile, Argentina and Ecuador. He has been recognized by specialized legal publications as one of the top mining lawyers in Latin America. Mr. Mir received his Law Degree from Universidad de Chile and was admitted to practice in 1989.

In addition, the Company has appointed Mr. Jeff Yip as the Company's Chief Financial Officer effective as of November 28, 2016. Mr. Yip received his Bachelor of Commerce from the University of British Columbia and is a member of the Chartered Professional Accountants of British Columbia (CPA, CA). After three years at Ernst & Young LLP (Vancouver), Mr. Yip served as the Corporate Controller of Rusoro Mining Ltd., a junior gold producer with operations in Venezuela, and for RB Energy Inc., a TSX-listed iodine producer with assets in Chile and Canada. Mr. Yip 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.

"We are very pleased to have Pablo join our Board and to have Jeff join our management team," said Mr. Wojtek Wodzicki, President and Chief Executive Officer. "Their tremendous experience, knowledge and skills are welcome additions to the Company. We would also like to thank Ms. Ngo for her service during the transition period following the Arrangement with NGEx and to wish her all the best in her new role as NGEx's Chief Financial Officer."

Qualified Persons

Technical disclosure for the Company's projects 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 (NI 43-101).

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 condensed interim consolidated financial statements for the three and nine months ended September 30, 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 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 November 28, 2016 at 5:00 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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