

## **Filo Mining Launches With Initial Resource Base of 150 Million Ounces of Silver, 4 Million Ounces of Gold, and 3.3 Billion Pounds of Copper and Outlines Corporate Plans**

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sept. 19, 2016) - Filo Mining Corporation (TSX VENTURE:FIL) (NASDAQ OMX:FIL) ("Filo Mining" or the "Company") is pleased to provide an introduction to Filo Mining which was spun out from NGEx Resources ("NGEx") in August and is now trading on the TSX-V and the NASDAQ First North exchanges under the symbol FIL. Filo Mining is the newest addition to the Lundin Group of Companies.

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. (see attached map, Figure 1). The region is mining-friendly and hosts a number of large scale mining operations. The project area is covered under the Mining Integration and Complementarity Treaty between Chile and Argentina which provides the framework for the development of cross border mining projects.

The Filo del Sol deposit occurs within a 6 km by 3 km alteration zone which is one of the largest undeveloped mineralized systems in the Andes. With less than 20% of the project area explored to date, Filo del Sol has so far delivered an Inferred Resource estimated to contain:

- 150 million ounces of silver
- 4 million ounces of gold
- 3.3 billion pounds of copper

Within a total of 381 million tonnes at a grade of 0.39% copper, 0.33 g/t gold and 12.2 g/t silver (0.69% copper equivalent)<sup>1</sup>.

Discreet zones of much higher-grade copper, gold and silver mineralization occur within this overall resource, providing the opportunity to study a wide range of possible mining scenarios. The upper 150 to 200 metres of the resource is oxidized, and initial metallurgical test results indicate excellent recoveries of copper and gold using leach processing.

Several high-quality exploration targets defined by geology, soil and rock geochemistry, and geophysics remain to be tested and the potential to increase the size of this resource and discover new deposits within the extensive alteration zone remain excellent.

*"It's a unique situation," comments Lukas Lundin, Chairman of the Board. "Over 18 square kilometers of under-explored surface alteration within one of the most important mining districts in the world. In the northern part the deposit, our geologists see an opportunity to discover high grade precious metal vein and breccia deposits, while in the middle, evidence points to an extension of the known copper-gold-silver mineralization with surface alteration more than doubling the existing resource outline. To the south, we have well defined copper-gold porphyry targets reminiscent of the early days at Los Helados and Josemaría, where surface trenching suggests even higher gold values. The scale of the system is truly impressive and we've just scratched the surface. Our success in this region is due to more than 10 years of persistent exploration by our very experienced and successful exploration team, many of whom have been with the Lundin Group since Veladero days. I am confident that this new company provides a platform to add a new chapter to that track record of success."*

Wojtek Wodzicki, President and CEO of Filo Mining adds, *"We believe that Filo del Sol has become one of the most significant new resource discoveries in South America. NGEx's early success at Los Helados and Josemaría focused our exploration efforts on defining those world class deposits. Launching this new Company brings the Filo del Sol project into the spotlight."*

### **Planned Work**

The immediate focus at the Filo del Sol project will be directed towards evaluating the potential to develop the project as a low cost, heap leach operation. A preliminary leach metallurgical program was completed earlier this year on samples of oxidized material with results expected shortly. Heap leaching is a widely used processing method for recovering metals from oxidized mineralization and typically involves lower capital and operating costs than the flotation process that is used for sulfide material.

Internal studies carried out during the past year have led to a better understanding of the most important potential economic drivers of the deposit and have improved our understanding of potential development

scenarios. Our goal now is to use the upcoming field season to fill in data gaps, continue to improve our understanding of the geology and resource, and begin to collect information that will allow us to evaluate development options. We also plan to continue to expand the known resource and search for additional deposits on the property.

The proposed work program has four main objectives: conversion of Inferred resources to the Indicated classification; expansion of the current resource; discovery of new deposits and completing a comprehensive program of metallurgical testwork.

#### Resource Conversion

Focused infill drilling within the resource volume will allow conversion of a portion of the resource to be classified as Indicated. This drilling will target high-grade copper oxide and structurally-controlled high-grade gold zones as priorities.

#### Resource Expansion Potential

The current resource remains completely open to expansion to the north and south, and some of the drill metres will be allocated to testing these areas. If successful, this data will allow for an increase in the overall size of the resource.

The northernmost holes into the resource volume include previously released drill intercepts such as VRC28 (8m @ 7.4% copper plus 22 metres at 2.2 g/t gold), VRC63 (74m at 0.54 g/t gold and 0.67% copper plus 48m at 196 g/t silver), VRC66 (80m @ 0.50 g/t gold plus 20 metres at 2.1% copper plus 16 metres at 222 g/t silver) and VRC89 (42m at 1.1 g/t gold, 0.78% copper and 146 g/t silver). Step-out holes to the north of these intersections will allow an expansion of the resource, if successful.

A series of widely-spaced drill holes to the south of the resource area, intersected wide zones of oxide gold +/- copper mineralization which extends for over 1,200 metres from the Filo resource. Previously released drill intercepts in this area include RCVI-16 (154m @ 0.48 g/t gold), RCVI15 (32m @ 0.98 g/t gold) and RCVI2 (40m @ 1.19% copper).

Rock sampling of four road cut trenches in the same area during the 2015/2016 field season returned intervals of 230 metres grading 0.36 g/t gold, 470 metres grading 0.30 g/t gold and 0.18% copper, 227 metres grading 0.45 g/t gold and 0.46% copper and 90 metres grading 0.35 g/t gold along a strike distance of 660 metres. None of these trenches exposed the full width of the zone and all will need to be extended.

The southern zone is characterized by a very large copper/gold soil geochemical anomaly which includes an area of approximately 1,300 metres by 650 metres with values greater than 500 ppm copper and 100 ppb gold—similar to what occurs above Los Helados and Josemaria. Infill drilling is proposed for this area with the objective of completing an initial resource estimate following completion of the work program. Based on the current information, it is possible that this will be contiguous with the Filo resource.

The size of the mineralized system at Filo del Sol, combined with the variety of possible deposit types, indicates the potential for the discovery of completely new mineral deposits on the property. This potential is supported by surface exploration data from four areas in the vicinity of the Filo del Sol deposit. Two of these targets relate to finding higher-grade gold and silver zones within the high-sulphidation epithermal system which hosts the deposit, and two relate to copper-gold porphyry targets underneath and adjacent to the epithermal system. The most advanced of these is the Cerro Vicuña porphyry target. This lies 700 metres southeast of the southern edge of the resource volume. See attached map Figure 2 for location of exploration targets.

#### History

The Lundin Group first acquired the land package containing the Filo del Sol deposit shortly after their success with the world-class Veladero gold discovery (estimated production plus known resources ~13 million ounces)<sup>2</sup> and the subsequent takeover of Argentina Gold by Homestake. The potential of the Filo area was recognized by the same team that discovered Veladero and who were also responsible for the Lundin Group's acquisition and advancement of the major Bajo de la Alumbrera copper/gold deposit (estimated production plus known resources ~11 million ounces and 7 billion pounds copper)<sup>2</sup>. The Filo area initially attracted the exploration team's attention due to the size and intensity of the alteration zone.

#### Management

Filo Mining will be managed by the successful NGEx team led by Chairman Lukas Lundin, President and CEO Wojtek Wodzicki, VP Exploration Bob Carmichael, General Manager South America Alfredo Vitaller, and Director Corporate Development and Projects Jamie Beck. All members of the team have extensive South American

experience. The senior management team is complemented by a highly experienced and successful exploration team based in Argentina. It is expected that, in due course, the Company will hire a new CFO to replace Interim CFO Joyce Ngo who will continue as Interim CFO of NGEx.

#### 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 NGEx's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects*

#### 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". 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

1Resource Estimate Notes: Copper equivalent assumes metallurgical recoveries of 84% for copper, 70% for gold and 77% for silver based on similar deposits, as only limited acid-leach metallurgical testwork has been done on Filo del Sol mineralization, and metal prices of US\$3/lb copper, US\$1300/oz gold, US\$23/oz silver. The CuEq formula is:  $CuEq = Cu + Ag * 0.0102 + Au * 0.5266$ . The Qualified Person for the resource estimate is James N. Gray, P. Geo. of Advantage Geoservices Ltd. The resource was constrained by a Whittle® pit shell using the following parameters: Cu \$3/lb, Ag \$23/oz, Au \$1300/oz, slope of 42°, mining cost of \$2.2/t and process cost of \$7.4/t. For more details on the Filo del Sol Project and the Resource Estimate please refer to the technical report dated June 10, 2016 and titled "Geological Report for the Filo del Sol Property, Region III, Chile and San Juan Province, Argentina. The resource estimate has an effective date of May 30, 2016. A copy of the technical report is available under the Company's profile on SEDAR [www.sedar.com](http://www.sedar.com)

#### 2Data taken from SNL Metals & Mining database

This information was submitted for publication, through the agency of the contact person set out below, on September 19, 2016 at 2:00 a.m. Toronto Time.

On behalf of the board of directors of NGEx and Filo Mining,

Wojtek Wodzicki, President and CEO, Filo Mining

#### 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 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; expectations with respect to the hiring of a new CFO; 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 Figure 1: <http://media3.marketwire.com/docs/1069754-F1.pdf>

To view Figure 2: <http://media3.marketwire.com/docs/1069754-F2.pdf>

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