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## NEWS RELEASE

### **Filo Mining drills 68 metres of 0.74% copper, 1.34 g/t gold, 100.1 g/t silver and 64 metres of 1.10% copper, 0.69 g/t gold at Filo del Sol**

**Vancouver, BC (May 16, 2018) Filo Mining Corp (TSX-V, Nasdaq First North: FIL)** ("Filo Mining", "Filo", or the "Company") is pleased to announce continued excellent results from the recently completed 2017/18 drill program at the Filo del Sol project in San Juan Province, Argentina and Region III, Chile. A total of 9,411 metres was drilled during the program, which was completed at the end of March, 2018. In total, 31 reverse circulation (RC) holes and 9 diamond drill (DD) holes were completed during the program. Assay results for 11 RC holes are presented here, and results from the remaining 9 DD holes will be released once the final assays have been received.

#### Highlights of Field Program:

- Infill drilling is expected to convert a portion of the inferred oxide mineral resource to indicated
- Step out drilling has extended mineralization beyond the current resource limits
- Over 4.5 tonnes of material was collected for metallurgical, geotechnical and environmental testing
- Geotechnical drilling has been completed

A full table of the drill hole intersections, collar information and a plan map showing the locations of the drill holes are included within this release.

#### Highlights from this second batch of drill holes include:

- VRC156: 124m @ 0.69% Cu, 0.30 g/t Au, 18.2 g/t Ag
- VRC158: 10m @ 0.40% Cu, 3.14 g/t Au, 5.5 g/t Ag
- VRC161: 118m @ 0.42% Cu, 0.80 g/t Au, 59.4 g/t Ag
- VRC163: 180m @ 0.54% Cu, 0.40 g/t Au, 3.0 g/t Ag
  - Including 64m @ 1.10% Cu, 0.69 g/t Au, 1.8 g/t Ag
- VRC164: 126m @ 0.65% Cu, 0.82 g/t Au, 54.6 g/t Ag
  - Including 68m @ 0.74% Cu, 1.34 g/t Au, 100.1 g/t Ag

Commenting on today's results, Adam Lundin, CEO of Filo Mining stated, *"The drill results from our 2017/18 field program continue to impress. The results released today, along with those we released on April 27 of this year, not only suggest that there is strong support to convert part of the inferred oxide mineral resource to the indicated category, they also support that testing for resource extension beyond the 2017 mineral resource limit at the Filo Del Sol Project is warranted. The results of the 2017/18 drilling will be incorporated into an updated mineral resource estimate to support the Pre-Feasibility Study ("PFS") which is currently underway."*

Filo del Sol is a large high-sulphidation epithermal copper-gold-silver deposit. The upper portion of the deposit is oxidized and includes from top to bottom, a gold oxide zone, a copper-gold oxide zone and a silver-rich zone. The oxide portion of the deposit is underlain by copper-gold sulphide mineralization. The drill holes reported here tested all of the oxide zones. The northern section of the deposit which

contains ~90% of the current resource is referred to as the Filo Zone; the southern section is referred to as the Tamberias Zone.

One of the main goals of the 2017/18 drill program was to convert a part of the inferred oxide mineral resource to the indicated category and most of the holes in this release were drilled for that purpose. The results suggest that we are well on our way to achieving this objective. The mineral resource remains open laterally and to depth, and several other holes were drilled adjacent to the inferred mineral resource in order to test for resource extensions. The holes in this release span a distance of 2.2 kilometres from VRC165 in the south to VRC164 in the north.

Nine of the holes announced today were drilled into the Filo zone of the deposit and are expected to either convert existing inferred material to indicated or add to the mineral resource.

The Filo gold oxide zone was intersected by the upper part of VRC164 (20m @ 0.95 g/t gold) in an area classified as inferred mineral resource.

All of the Filo holes intersected the copper-gold oxide zone, in areas that are either within the inferred mineral resource or adjacent to it, with grades that are generally consistent with those predicted by the mineral resource block model.

Three of the holes intersected the silver zone, including a broad zone of near-surface mineralization starting at 12 metres down the hole in VRC161 (80m @ 101.7 g/t silver). These silver zone intersections are all within the inferred mineral resource.

Two of the holes presented here were drilled into the Tamberias zone. VRC162 extends the gold oxide zone approximately 20 metres beyond the 2017 mineral resource limit and VRC165 intersected the copper-gold oxide zone in an area of inferred mineral resource.

The results of the 2017/18 drilling will be incorporated into an updated mineral resource estimate to support the Pre-Feasibility Study ("PFS") which is currently underway. The PFS follows the completion of a Preliminary Economic Assessment ("PEA") of the project, the results of which were released by the Company on November 28, 2017. The PEA incorporated open-pit mining and heap leach processing of only the oxide portions of the deposit. The results of the PEA demonstrate a robust project with strong economics, highlighted by an estimated after-tax NPV of US\$ 705 million using a discount rate of 8% and an IRR of 23%, with an average estimated annual life of mine production of approximately 50,000 tonnes of copper, 115,000 ounces of gold, and over 5 million ounces of silver.

Diamond drill holes completed during the 2017/2018 program will contribute data for the mineral resource update and will also provide samples for metallurgical testwork forming an important part of the PFS. Metallurgical sample material was also collected from surface trenches during the field program. The PFS metallurgical testwork program is being carried out at SGS Minerals lab in Lakefield, Ontario and commenced in early April, 2018. Ongoing environmental and social programs continue in support of the PFS and to lay the groundwork for future environmental assessments and project permitting.

HOLE-ID	From (m)	To (m)	Length (m)	Cu %	Au g/t	Ag g/t	Zone	Purpose
<b>VRC154</b>	94	176	82	0.29	0.25	3.2	Filo	Resource Addition
incl	168	176	8	0.63	0.61	4.3		
<b>VRC156</b>	110	234	124	0.69	0.30	18.2	Filo	Resource Conversion
incl	152	170	18	0.95	0.52	0.9		
and incl	<b>204</b>	<b>234</b>	<b>30</b>	<b>1.00</b>	<b>0.32</b>	<b>60.1</b>		
<b>VRC157</b>	48	128	80	0.38	0.39	2.4	Filo	Resource Conversion
<b>VRC158</b>	16	100	84	0.38	0.63	2.3	Filo	Resource Addition
incl	<b>16</b>	<b>26</b>	<b>10</b>	<b>0.40</b>	<b>3.14</b>	<b>5.5</b>		
and incl	50	58	8	1.18	0.44	1.6		
<b>VRC159</b>	12	100	88	0.42	0.27	1.0	Filo	Resource Conversion
<b>VRC160</b>	112	230	118	0.33	0.40	2.1	Filo	Resource Conversion
incl	114	148	34	0.46	0.83	2.4		
<b>VRC161</b>	<b>12</b>	<b>130</b>	<b>118</b>	<b>0.42</b>	<b>0.80</b>	<b>59.4</b>	Filo	Resource Addition
incl	30	38	8	1.42	0.84	140.8		
and incl	46	66	20	0.48	0.49	175.2		
and incl	76	80	4	0.33	10.06	171.5		
<b>VRC162</b>	0	140	140	0.02	0.29	5.1	Tamb	Resource Addition
incl	2	14	12	0.05	0.57	11.8		
and incl	50	66	16	0.02	0.53	5.6		
<b>VRC163</b>	<b>70</b>	<b>250</b>	<b>180</b>	<b>0.54</b>	<b>0.40</b>	<b>3.0</b>	Filo	Resource Conversion
incl	<b>70</b>	<b>134</b>	<b>64</b>	<b>1.10</b>	<b>0.69</b>	<b>1.8</b>		
incl	70	72	2	1.27	13.65	2.0		
<b>VRC164</b>	24	44	20	0.04	0.95	0.7	Filo	Resource Conversion
plus	92	132	40	0.24	0.41	5.4		
plus	190	316	126	0.65	0.82	54.6		
incl	<b>248</b>	<b>316</b>	<b>68</b>	<b>0.74</b>	<b>1.34</b>	<b>100.1</b>		
or incl	250	270	20	1.27	3.22	22.3		
or incl	250	254	4	3.58	9.27	10.5		
or incl	272	306	34	0.51	0.61	171.4		
<b>VRC165</b>	0	56	56	0.27	0.35	4.6	Tamb	Resource Conversion
incl	4	14	10	0.65	0.22	0.6		
and incl	30	46	16	0.11	0.51	7.8		

Mineralized zones within the Filo del Sol deposit are flat-lying, and drilled widths are interpreted to be greater than 95% of true widths.

The field program was carried out under the supervision of Bob Carmichael, B.A.Sc., P.Eng., who is the Qualified Person as defined by NI 43-101. Mr. Carmichael is Vice President, Exploration for the Company and has reviewed and approved the technical information contained in this news release.

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 splitting carried out at the Company's field camp near the drill sites. Individual samples represent final splits from 2 metre intervals down the hole. Samples were delivered to the ALS preparation laboratory in Copiapo, Chile where samples were crushed and split and a 500g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to the ALS assay laboratory in Lima, Peru. ALS is an accredited laboratory which is independent of the Company. 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 and a sequential copper leach analysis was completed on each sample. 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 are Quality Control samples.

#### **About Filo Mining Corp.**

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, and El Indio. 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.

<b>HOLE-ID</b>	<b>East</b>	<b>North</b>	<b>Elevation</b>	<b>Length (m)</b>	<b>Azimuth</b>	<b>Dip</b>
VRC154	435266	6848401	5136	230	80	-70
VRC156	435173	6848294	5161	245	79	-70
VRC157	435367	6848605	5097	150	267	-83
VRC158	435038	6847702	5105	100	220	-90
VRC159	435032	6847599	5106	100	22	-90
VRC160	435173	6848294	5161	132	90	-87
VRC161	435002	6847790	5115	132	92	-62
VRC162	434622	6846862	5120	140	53	-70
VRC163	435134	6848201	5134	252	20	-75
VRC164	435204	6848804	5185	316	90	-88
VRC165	434713	6846642	5197	100	60	-70

## **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.

The PEA study results in this press release are only intended to provide an initial, high-level summary of the project. The PEA is preliminary in nature and includes the use of inferred mineral resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Filo del Sol Project, the Mineral Resource estimate, and the PEA are described in a Technical Report titled *"Independent Technical Report for a Preliminary Economic Assessment on the Filo del Sol Project, Region III, Chile and San Juan Province, Argentina"* dated December 18, 2017, with an effective date of November 6, 2017 (the "Technical Report"), which was prepared for Filo Mining by SRK Consulting (Canada) Inc ("SRK"). The Technical Report is available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.filo-mining.com](http://www.filo-mining.com).

This information is information that Filo Mining Corp. is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out below, on May 16, 2018 at 2:30 p.m. Pacific Standard Time.

On behalf of the Board of Directors of Filo Mining,

Adam I. Lundin  
President and CEO

For further information, please contact: Michelle Fyfe, Investor Relations (604) 689-7842.

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"), concerning the business, operations and financial performance and condition of Filo Mining Corp. 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 resource estimates, 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 and Uncertainties" section of the Company's most recent MD&A and in the Company's most recent Annual Information Form under the heading "Risk Factors", and elsewhere, which are available under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website. These risks and uncertainties 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. This forward-looking information speaks as of the date of this press release. Forward-looking information in this news release includes, but is not limited to, statements regarding the Company's expectations with respect to conversion of inferred mineral resources to indicated mineral resources, timing for receipt of additional assay results, an updated mineral resource estimate to support a PFS, the assumptions used in the mineral resource estimates for the Filo del Sol project; expected timing with respect to completion of a PFS, expectations with regard to potential for adding to mineral resources through exploration; estimations of commodity prices, mineral resources, and costs.

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 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.

