



885 W Georgia Street
Suite 2000
Vancouver BC
Canada V6C 3E8

Tel 604 689 7842
Fax 604 689 4250

info@filo-mining.com
filo-mining.com

NEWS RELEASE

FILO MINING PROVIDES UPDATE ON 2016/2017 EXPLORATION PROGRAM

January 20, 2017: Filo Mining Corporation (TSX-V: FIL) (Nasdaq First North: FIL) (“Filo Mining” or the “Company”) is pleased to announce that the 2016/2017 drill program at the Filo del Sol project is now underway. Two reverse circulation (RC) drills are currently active and a third rig is expected to be added in late January. The focus of the program is on the oxidized portion of the system and on evaluating its potential to be processed by heap leaching. Please see attached maps.

A total of 8,000 metres of drilling in 35 holes is planned, however the actual totals may change depending on results and drilling productivity. To date, approximately 2,000 metres of drilling in 7 holes has been completed. The planned drill program includes resource infill holes, step-out holes, and exploration holes which will test three high-quality exploration targets within 2 km of the deposit. It is anticipated that drilling will continue until the end of March.

Step-out holes are planned both north and south of the current resource, which remains open in both directions.

Exploration holes will test targets which could yield new discoveries within the large alteration system that surrounds the current resource footprint. Three target areas will be tested; Filo North, Filo South and Cerro Vicuña.

Filo North lies between 1 and 2 km north of the deposit in an area thought to host a potential feeder zone to the Filo del Sol deposit. Evidence for a potential feeder zone is provided by surface geochemistry, geophysics and detailed studies of the zonation of alteration minerals.

The Filo South target lies 1,000 metres south of the deposit. Surface mapping and sampling in this area has defined a northwesterly-trending gold +/- copper bearing zone of strong silicification, quartz stockwork and breccia with minimum dimensions of 1,000 metres along strike by 200 metres wide. Wide-spaced historical drilling did not test this zone, however, surface trenching across it in 2016 returned 114 metres of 0.85% copper and 0.35 g/t gold.

Cerro Vicuña is a distinct conical hill located 1 km southeast of the deposit, and immediately to the east of the Filo South target. Surface mapping shows this hill to be underlain by a silicified and stockwork porphyry intrusive, the Vicuña Porphyry, with grab samples of up to 5 g/t gold collected from surface. The hill is covered by an extensive copper and gold surface geochemistry anomaly and is characterized by an alteration zonation and geophysical signature characteristic of porphyry deposits. This target has never been drilled.

In addition to the drilling, we plan to conduct a more extensive program of metallurgical testwork to follow up on the encouraging initial results received in 2016 (see News Release dated October 11, 2016). Collection of representative sample material will form an important part of the current field program, and will allow for the completion of column leach tests to provide information on optimum fragment size for leaching.

Wojtek Wodzicki, President and CEO commented, “We are very pleased to be drilling at Filo del Sol again and are enthusiastic about the potential of this drilling to expand the Filo resource. This program is an important step toward our long term objective of turning Filo del Sol into a significant heap leach project.”

Initial drill results are expected during the first quarter of 2017.

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.

Additional Information

Pareto Securities AB is the Company's Certified Adviser on Nasdaq First North.

This information was submitted for publication, through the agency of the contact person set out below, on January 20, 2017 at 2:00 a.m. Toronto Time.

On behalf of the board of directors of Filo Mining,

Wojtek Wodzicki,
President and CEO,
Filo Mining

For further information, please contact: Sophia Shane, 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"). 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; expected timing of drilling and drill results; 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.

Filo del Sol Targets



