Filo Corp

Filo Mining Announces Closing of C$40 Million Financing

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VANCOUVER, Aug. 30, 2019 /CNW/ - **Filo Mining Corp. (TSX-V:FIL) (Nasdaq First North:FIL)**("**Filo Mining**" or the "**Company**") is pleased to announce that it has closed its previously announced bought deal financing (the "**Offering**") as well as the previously announced concurrent private placement (the "**Concurrent Private Placement**") for aggregate gross proceeds of approximately C$40 million.

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Pursuant to the Offering, a total of 7,275,000 common shares of Filo Mining ("**Shares**") were sold at a price of C$2.75 per Share (the "**Issue Price**"), for aggregate gross proceeds of approximately $20 million. The Offering was made through a syndicate of underwriters led by BMO Capital Markets and included National Bank Financial Inc., Haywood Securities Inc. and Cormark Securities Inc. (collectively, the "**Underwriters**").

Pursuant to the Concurrent Private Placement, a total of 7,272,727 Shares were sold at the Issue Price, for additional aggregate gross proceeds of approximately C$20 million. The Shares issued pursuant to the Concurrent Private Placement are subject to a statutory hold period in Canada expiring on December 31, 2019**.**

The Company plans to use the net proceeds of the Offering and the Concurrent Private Placement for exploration and development of the Company's Filo del Sol project, for working capital, corporate overhead and general and administrative purposes. The Company also plans to use the net proceeds of the Offering to repay amounts owing pursuant to outstanding debentures.

Zebra Holdings and Investments S.à.r.l ("**Zebra**") and Lorito Holdings S.à.r.l ("**Lorito**"), are insiders of the Company and held 22.91% and 7.75%, respectively, of the issued and outstanding Shares, on a non-diluted basis, prior to the closing of the Offering and the Concurrent Private Placement. Pursuant to the Concurrent Private Placement, Zebra subscribed for 7,272,727 Shares and Lorito subscribed for 1,818,182 Shares pursuant to the Offering. Following completion of the Offering and the Concurrent Private Placement, Zebra and Lorito hold 24,115,010 Shares and 7,518,182 Shares, respectively, representing 27.38% and 8.54%, respectively, of the issued and outstanding Shares, on a non-diluted basis. Such participation in the Offering and Concurrent Private Placement constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*("**61-101**"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of 61-101 as neither the fair market value of the securities issued to related parties nor the consideration for such securities exceed 25% of the Company's market capitalization. The Company filed a material change report less than 21 days before closing the Offering as the shorter period was necessary in order to permit the Company to close the Offering and Concurrent Private Placement in a timeframe consistent with usual market practice for transactions of this nature.

The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part for a period of 30 days from and including today's date, to purchase up to an additional 1,091,250 Shares being 15% of the Shares sold and issued pursuant to the Offering on the same terms as set forth above. The Concurrent Private Placement may be increased to adjust for the exercise of any or all of the Over-Allotment Option as necessary so as to allow Zebra to maintain its collective *pro rata* ownership of Filo Mining. If the Over-Allotment Option is exercised in full, up to 1,090,909 Shares may be purchased by Zebra.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Filo Mining

Filo Mining is a Canadian exploration and development company focused on advancing its 100% owned Filo del Sol copper-gold-silver deposit located in Chile's Region III and adjacent San Juan Province, Argentina. Filo Mining is a member of the Lundin Group of Companies.

Additional information

Filo Mining is listed on the TSX Venture Exchange ("**TSX-V**") and Nasdaq First North Exchange under the trading symbol "FIL". The Company's certified advisor on Nasdaq First North is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.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 August 30, 2019 at 6:00 a.m. Pacific time.

Cautionary Note Regarding Forward-Looking Information and 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. 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 with respect to the use of proceeds from the Offering and the Concurrent Private Placement, that there will be no material adverse change affecting the Company or its properties, the exercise of the Over-Allotment Option and the ability to obtain the necessary regulatory authority and approvals. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in the Company's most recent management discussion and analysis and annual information form available at www.sedar.com.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the necessary approvals with respect to the Offering and Concurrent Private Placement will be obtained in a timely manner, 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, that the Company will not experience any material labour dispute, accident, or failure of plant or equipment, and that the Company will receive regulatory approvals, permits and licenses, as and when required in a timely manner. 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-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this news release.

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Additional assets available online: Documents (1)

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