

## LEAGOLD PROVIDES 2018 PRODUCTION AND COST GUIDANCE FOR LOS FILOS GOLD MINE

**Vancouver, January 19, 2018** – Leagold Mining Corporation (TSX:LMC; OTCQX:LMCNF) (“Leagold” or “the Company”) reports that 2018 gold production at Los Filos is expected to be within the range of 215,000 to 240,000 ounces at an all-in sustaining cost (AISC) of \$875 to \$925 per ounce (“oz”).

Leagold CEO Neil Woodyer stated: “The 2018 production guidance range includes growth of 12% to 25% over the 191,195 oz produced in 2017. Our 2018 outlook benefits from the operational improvements implemented since we acquired Los Filos in April 2017 and several optimizations planned for the year ahead. During Q2 2018, we will realize the benefits from the overland conveyor and agglomerator capital projects. In addition, the mine plan sequence is scheduling higher gold production during H2 2018. As a result of this production profile, we expect higher costs in H1 2018 and lower costs during H2 2018. Looking ahead and considering the highly successful exploration programs in 2017 that significantly increased both the size and grade of our mineral resources, we are now in a strong position to evaluate the benefits of building a carbon-in-leach processing plant at Los Filos.”

**Figure 1: 2018 Production Guidance Range, illustrated with an approximate quarterly profile**



## 2018 Operations Outlook

- Gold production and AISC are expected to improve throughout 2018, in line with the steady improvements achieved in 2017 (see Figure 1):
  - Current open pit mine plan sequence schedules higher grades and lower strip ratios during H2 2018, compared to H1 2018. In particular, the Bermejal open pit mining sequence anticipates more waste mining and lower grades during H1 2018, with improvements to both grade and strip ratio during H2 2018
  - Los Filos Underground mining rates have been progressively improving, and achieved 1,300 tonnes per day (tpd) in December 2017. The underground mining rate is anticipated to increase to an average of 1,500 tpd for 2018
  - Heap leach reprocessing is expected to incur higher expenditures during H1 2018 as the majority of the preparatory pressure injection work is performed, with significantly reduced spending planned for the second half of the year
  - Commissioning of the overland conveyor and agglomerator projects is expected during Q1 2018 leading to progressive improvements in heap leach processing and gold recovery through the remainder of 2018
- Growth capital programs of \$9 million are budgeted for current operations, including the remaining amounts to complete the overland conveyor and agglomerator.
- \$13 million has been allocated to drilling and exploration programs at Los Filos Underground to improve short-term mine planning and add resources and reserves. These in-fill and step-out programs include a total of 62,000 metres of drilling.

## Bermejal Underground Expansion Project Update

The Bermejal Underground expansion project, which is expected to meaningfully increase production in 2019 and beyond, continues to progress well. The decline has now advanced to over 320 metres and is on schedule to access the test mining stopes in mid-2018, with \$12 million remaining to be spent in 2018. The next phase of Bermejal Underground capital expenditure amounts will be provided upon completion of detailed mine engineering and plant design optimizations, which are also anticipated to be completed in mid-2018.

## Qualified Persons

Doug Reddy, P.Geo, Leagold's Senior Vice President – Technical Services, is a Qualified Person under NI 43-101, and has reviewed and approved the technical contents of this news release on behalf of Leagold.



## About Leagold Mining Corporation

Leagold is building a new mid-tier gold producer with a focus on opportunities in Latin America. Leagold is based in Vancouver, Canada and is listed on the TSX under the trading symbol "LMC" and trades on the OTCQX market as "LMCNF". The 2017 acquisition of the Los Filos Mine, a low-cost gold producer in Mexico, provides an excellent platform for growth.

For more information on Leagold please visit the Company website at [www.leagold.com](http://www.leagold.com) or contact:

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This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), including but not limited to plans for future development of the Los Filos mine. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts" and "anticipates". Forward-looking statements and information, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the Los Filos mine, risks related to the successful integration of the acquisition; risks related to international operations; risks related to general economic conditions and credit availability, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Leagold operates. Although Leagold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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. The forward-looking statements and forward-looking information are made as of the date hereof and Leagold disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results. Accordingly, readers should not place undue reliance on forward-looking statements and information. Please refer to Leagold's most recent filings under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting Leagold and its business.