

- Leagold has acquired the Los Filos Gold Mine in Mexico for US\$350 million from [Goldcorp Inc.](#) ("Goldcorp").
- The Los Filos operations consists of two open-pit mines, Los Filos and Bermejil, an underground mine at Los Filos and the opportunity to develop a new underground mine at Bermejil as an expansion project. During 2016, Los Filos produced 231koz of gold at an AISC/oz of \$878<sup>1</sup>.
- Leagold has completed a C\$179 million equity financing (US\$133 million), US\$50 million equity private placement, and US\$150 million senior secured term loan.
- Post closing, Leagold estimates its cash balance to be approximately US\$76 million.
- Russell Ball, Goldcorp's EVP Corporate Development and CFO, has joined Leagold's Board of Directors.
- Leagold aims to build a new mid-tier gold producer with a focus on opportunities in Latin America; Los Filos is the first acquisition.

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VANCOUVER, April 7, 2017 /CNW/ - [Leagold Mining Corp.](#) (TSX-V: LMC) ("Leagold" or the "Company") is pleased to announce that it has completed the acquisition of the Los Filos Gold Mine in Guerrero State, Mexico for US\$350 million (the "Acquisition") from Goldcorp. The purchase price consists of US\$279 million in cash and US\$71 million in common shares of Leagold. See Table 1 for details on Leagold's current capital structure and ownership. Russell Ball, Goldcorp's EVP Corporate Development and CFO, has joined Leagold's Board of Directors as Goldcorp's nominee. Concurrent with this appointment, Jay Sujir has resigned from the Board. Leagold advises that its common shares will resume trading on the TSX-Venture Exchange at market open on April 10, 2017 under the symbol LMC, and that its Subscription Receipts (symbol LMC.R) have been converted into common shares and have been de-listed effective April 7, 2017.

Neil Woodyer, CEO stated "Today marks a strong beginning for Leagold with the Los Filos mine becoming our platform for growth. We have transformed into a low-cost gold producer in Mexico and we will immediately focus on optimizing the mine and progressing the drilling programs and related preparation work for the development of a new underground mine at Bermejil. We look forward to working with the Los Filos management team, the Los Filos workforce, and our local community partners as we develop and expand Los Filos for long-term success. In addition, we continue our search for additional acquisition and growth opportunities in Latin America, as we seek to grow into a multi-mine operator and create the next intermediate gold producer."

#### Acquisition Financing

Leagold's financing plan totalled US\$333 million to fund the acquisition of the Los Filos Mine and includes the C\$179.1 million (US\$133 million) Subscription Receipt Offering that was completed on March 8, 2017 and the exercise of the over-allotment option for 1.5 million common shares granted to the underwriters, which was exercised today, a US\$150 million Loan Facility and US\$50 million Equity Private Placement being provided by a fund managed by Orion Resource Partners ("Orion"). The Mexican anti-trust commission ("COFECE") has approved the completion of the Acquisition, but requires a second COFECE application with respect to a portion of Orion's US\$50 million equity investment. To accommodate this on-going process, the US\$50 million has been split into a US\$21 million private placement that has now been completed and a US\$29 million subscription receipt financing, with each subscription receipt converting into one common share, without payment of additional consideration or further action, upon receipt of the second COFECE approval. To accommodate the cash funding deferral, Goldcorp has also agreed to defer US\$29 million of the US\$279 million cash portion of the Acquisition by accepting a short-term promissory note from Leagold. Upon receipt of the second COFECE approval, the US\$29 million proceeds from the Orion subscription receipt financing will be paid to Goldcorp. The net proceeds from the various financings completed have been used to satisfy the US\$250 million cash portion of the Los Filos Mine acquisition paid to Goldcorp and to provide for general working capital purposes. As such, Leagold's group cash position post-closing is estimated to be US\$76 million. The securities issued under the Equity Private Placement are subject to a statutory four-month hold period.

At closing, Leagold issued 34,635,091 common shares to Goldcorp, representing US\$71 million at C\$2.75 per share, and 10,244,182 common shares to Orion, representing US\$21 million at C\$2.75 per share. In relation to the acquisition financing, Leagold has also granted Orion 2,000,000 share purchase warrants that are exercisable in whole or in part for a term of five years at an exercise price of C\$3.575 per share. The Loan Facility will bear interest at a rate equal to the greater of 3-month Libor and 1.00%, plus 700 basis points, and will mature on March 31, 2022. Principal repayments commence with the first repayment due on March 31, 2019 and with equal quarterly installments thereafter (i.e., fully amortizing from March 31, 2019 through to the March 31, 2022). The acquisition financing also provides for a gold offtake to Orion of 50% of the gold production at market prices from the Los Filos Mine, until cumulative delivery of 1.1 million ounces to Orion.

#### Equity Ownership

Prior to completion of the Acquisition, Leagold had 27,130,958 common shares and 63,640,000 Subscription Receipts issued and outstanding. At closing of the Acquisition, the Subscription Receipts converted into common shares, without payment of additional consideration or further action. Table 1 illustrates Leagold's current capital structure and equity ownership and the anticipated capital structure and equity ownership upon receipt of the second COFECE approval.

Table 1: Capital Structure and Ownership

Current Capital Structure	Notes	Shares	Value
		(Millions)	(US\$M)
Issued and outstanding common shares		27.1	
Common shares from conversion of Subscription		65.1	
Receipts and Over-allotment			
Common shares issued to Goldcorp		34.6	\$71.0
Common shares issued to Orion		10.2	\$21.0
Total issued shares		137.2	
Common shares from conversion of Orion Subscription Receipts <sup>1</sup>		14.1	\$29.0
Pro forma issued and outstanding shares		151.3	
Current Ownership	Notes	Shares	Ownership
		(Millions)	
Goldcorp		34.6	25.3%
Orion		10.2	7.5%
Neil Woodyer, CEO & Director	<sup>2</sup>	7.6	5.5%
Frank Giustra, Chairman	<sup>3</sup>	5.0	3.7%
Other Leagold Directors & Officers		0.9	0.7%
Expected Ownership, after the second COFECE approval	Notes	Shares	Ownership
		(Millions)	
Goldcorp		34.6	22.9%
Orion	<sup>1</sup>	24.4	16.1%
Neil Woodyer, CEO & Director	<sup>2</sup>	7.6	5.0%
Frank Giustra, Chairman	<sup>3</sup>	5.0	3.3%
Other Leagold Directors & Officers		0.9	0.6%

Notes to Table 1:

<sup>1</sup> Number of common shares estimated using an CAD-USD exchange rate of 1.3415. Actual shares issued to Orion will be determined at the prevailing CAD-USD exchange rate at conversion and a share price of C\$2.75 per share.

<sup>2</sup> Neil Woodyer holds 7,557,550 common shares.

<sup>3</sup> Frank Giustra holds, directly and indirectly, 5,037,900 common shares.

The C\$179 million Subscription Receipt financing was led by BMO Capital Markets and UBS Securities Canada Inc. and included Scotia Capital Inc., Canaccord Genuity Corp., GMP Securities L.P. and TD Securities Inc. (the "Underwriters"). UBS Securities Canada Inc. is also acting as financial adviser to Leagold in connection with Orion's US\$150 million loan facility and US\$50 million equity subscription transactions. BMO Capital Markets and UBS Securities Canada Inc. are acting as agents and joint bookrunners on the private placement to Orion.

The securities referenced in this release have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement 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, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### About Leagold Mining Corporation

Leagold aims to build 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 Venture Exchange under the trading symbol "LMC".

On behalf of [Leagold Mining Corp.](#)

Neil Woodyer, Chief Executive Officer

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), including but not limited to, statements with respect to the pro forma equity ownership, and the conversion of the Subscription Receipts issued to Orion and 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 receipt of all necessary approvals for conversion of the Orion Subscription Receipts; 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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1 Sourced from Goldcorp's 2016 Annual Report, page 40

SOURCE [Leagold Mining Corp.](#)

#### Contact

For more information on Leagold please visit the Company website at [www.leagold.com](http://www.leagold.com) or contact: Doug Reddy, SVP Technical Services, +1-604-609-6114, [dreddy@leagold.com](mailto:dreddy@leagold.com)