

Leagold Reports Q3 2017 AISC/oz of \$993 and AISC Margin of \$13.6 Million

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(All amounts in US dollars, unless otherwise indicated)

- During Q3 2017, Los Filos generated:
 - Gold production of 47,766 ounces at an AISC/oz of \$993 (see Table 1)
 - Adjusted EBITDA¹ of \$15.1 million
 - All-in sustaining cost ("AISC")¹ margin of \$13.6 million (see Table 2)
- Los Filos produced 137,749 oz of gold during the nine months ended September 30, 2017, and remains on track between 185,000 and 200,000 oz for the full year of 2017, as previously guided
- The Bermejil Underground Expansion is progressing well, with the ramp now 75 metres beyond the portal. The program continues to exceed expectations, as demonstrated by the 94% increase in Measured and Indicated reserves announced on October 16, 2017. The drilling program is on track to be completed by year end
- Q3 2017 adjusted earnings of \$5.2 million, or \$0.03/share
- At September 30, 2017, Leagold had unrestricted cash and cash equivalents of \$52.9 million (see Table 3)

VANCOUVER, Nov. 13, 2017 /CNW/ - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) ("Leagold" or the "Company") reported Q3 2017 gold production of 47,766 ounces at its Los Filos Mine at an AISC of \$993/oz, resulting in an AISC margin of \$13.6 million.

Neil Woodyer, CEO stated: "We are pleased to see that the operational improvement programs implemented during Q2 2017 are starting to bear fruit. We anticipate continued improvements in Q4 and into 2018 as two key projects are completed and operational – the re-installation of the agglomerator and extension of the overland conveyors.

"With Los Filos as our cornerstone asset, our management team is now focused and working diligently on continuing our acquisition strategy to grow our gold business in Latin America. We are excited about the opportunities available and look forward to updating our shareholders as we progress."

Operations Update - Los Filos Mine, Mexico

Los Filos produced 47,766 ounces of gold in Q3 2017 at an AISC of \$993/oz sold. During Q3, gold production improved over the prior quarter due to improved utilization rates, higher productivity of mining equipment, and higher mined grades (see Table 1). Also during Q3, there was a greater proportion of run-of-mine (ROM) material placed on the heap leach pad as compared to Q2, which contributed to a reduced average recovery rate. It is estimated the recovery rate for the high-grade underground material placed was 80% during Q3.

Table 1: Q3 2017 Los Filos Operating Summary

Physicals	Unit	Q2 2017 ¹	Q3 2017
Tonnes mined - Open pit	000s	6,696	7,602
Tonnes of ore mined – Open pit	000s	1,956	2,091
Average gold grade mined – Open pit	g/t	0.57	0.67
Tonnes of ore mined – Underground	000s	89	98
Average gold grade mined – Underground	g/t	6.33	7.43
Tonnes of ore processed	000s	1,986	2,134
Recovery rate ²	%	80%	70%
Gold produced	oz	43,980	47,766

Unit Cost Analysis

Mining cost - Open pit	\$/t mined	1.45	1.39
Mining cost - Underground	\$/t ore	99.84	104.32
Processing costs	\$/t placed	10.93	9.75
Site general and administration costs	\$/t placed	2.12	1.74

¹ Q2 is for the period from April 8 – June 30

² Based on total gold ounces produced in the period

The refurbishment and installation of an agglomeration drum to improve gold recovery from the heap leach pad is progressing on schedule. The main agglomeration drum has been successfully transferred to its final location and work continues on installation of the housing and ancillary equipment. Commissioning of the refurbished agglomerator will begin in Q4 2017.

The installation of new overland conveyors to reduce transportation costs and eliminate re-handling of crushed ore onto Heap Leach Pad 2 is also advancing on schedule. The detailed design of the overland conveyors was finished during Q3, most of the civil earthworks is complete, and manufacturing of the conveyor structure is well underway. The new conveyor system is scheduled to be fully operational in early Q1 2018.

Table 2: Q3 2017 Los Filos AISC Margin

(in \$000s)	Q2 2017 ¹	Q3 2017	Q2 + Q3 2017
Gold revenue	67,199	60,602	127,801
Mining costs - Open pit	9,681	10,583	20,264
Mining costs - Underground	8,889	10,176	19,065
Processing costs	21,697	20,806	42,503
Site general and administration costs	4,212	3,715	7,927
Inventory and other adjustments	2,580	(4,864)	(2,284)
Total cash costs ²	47,059	40,416	87,475
Land access payments	3,393	3,552	6,945
Royalties	307	364	671
Sustaining capital ^{2, 3}	2,680	2,621	5,301
Mine-level AISC ²	53,439	46,953	100,392
AISC margin ²	13,760	13,649	27,409
Cash cost per gold ounce sold ²	\$/oz 871	855	864
AISC per gold ounce sold ²	\$/oz 989	993	991

¹ Q2 2017 includes the Los Filos operating period from April 8 – June 30.

² Q3 2017 cash costs and all-in sustaining costs excludes the impact of \$1.6 million in non-recurring transition costs and includes the impact of a \$0.5 million reclassification of Q2 2017 operating costs to non-sustaining capital related to the Bermejil Underground expansion project. In addition, sustaining capital includes the impact of a \$0.3 million reclassification of Q2 2017 sustaining capital to non-sustaining capital related to the Bermejil Underground expansion project. (Q2 2017 cash costs and all-in sustaining costs excludes the impact of \$2.1 million in non-recurring transition costs and the impact of \$2 million in certain inventory adjustments through purchase price allocation ("PPA") valuation relating to the acquisition of Los Filos).

³ Sustaining capital, all-in sustaining costs and all-in sustaining margin are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to the section Non-IFRS Measures.

Bermejil Underground Expansion Project Update

Significant progress has been made for the Bermejil Underground Expansion Project during Q3 2017. The drilling program was 69% complete by the end of Q3 (38,581 of 56,000 metres total) and is now 84% complete (47,035 metres). There are 14 drill rigs currently on site and the drilling program will be completed by year end.

On October 16, 2017, an interim updated Bermejil Underground mineral resource estimate, limited to drilling data available as of August 31, 2017, resulted in a 94% increase in Measured and Indicated mineral resources to 1.97 million ounces and added 0.82 million ounces to the Inferred mineral resources (prepared by SRK, August 31, 2017; further details are available in the October 16, 2017 news release). The remaining drill holes will be incorporated into an updated resource estimate at year end.

The exploration ramp has rapidly progressed since work commenced on September 25, 2017, with 75

metres of advancement from the portal to date. Access to the first Bermejal Underground test mining area is expected during H1 2018, with the completion of the ramp to the high-grade sub-sill portion of the deposit by year end 2018.

Leagold Q3 Free Cash Flow and Cash Reconciliation

From the AISC margin of \$13.6 million generated during the quarter, Leagold invested \$9.1 million in key optimization and growth projects, which include \$2.2 million for the agglomerator and overland conveyor projects and \$6.4 million for the Bermejal Underground Expansion project, most of which was related to the ongoing drill program and infrastructure development.

Table 3: Q3 2017 Los Filos Free Cash Flow and Cash Reconciliation

(In \$000s)	3 Months ended September 30, 2017
Gold revenue	60,602
Less: Mine-level AISC ¹	(46,953)
AISC margin ¹	13,649
Less: Non-sustaining investment capex	
Overland conveyors	(1,611)
Agglomerator	(556)
Bermejal Underground expansion project	(6,367)
Other	(593)
AISC margin after investment capex	4,522
Operating working capital changes (excluding VAT), net	(1,665)
Increase in VAT receivable	(6,928)
Taxes paid	(218)
Share issue costs	(908)
Transaction costs	(124)
Non-recurring expenses ²	(1,562)
Interest paid on loan facility and promissory note	(3,277)
Corporate and administration	(1,535)
FX gain on cash and cash equivalents, Other	(812)
Cash outflow for the period	(12,507)
Opening cash balance	65,364
Closing cash balance	52,857

1 AISC is a non-IFRS financial performance measure with no standard meaning under IFRS.

2 Q3 2017 cash costs and all-in sustaining costs excludes the impact of \$1.6 million in non-recurring transition costs and includes the impact of a \$0.5 million reclassification of Q2 2017 operating costs to non-sustaining capital related to the Bermejil Underground expansion project. In addition, sustaining capital includes the impact of a \$0.3 million reclassification of Q2 2017 sustaining capital to non-sustaining capital related to the Bermejil Underground expansion project.

Adjusted Net Earnings

Adjusted net earnings attributable to Leagold's shareholders have been adjusted for items that management believes are not reflective of the underlying operating performance of the Company, including the impact of foreign exchange gains and losses, deferred income tax recovery/expense, change in fair value of warrant derivatives, and other non-recurring items, such as transaction costs, share-based payments and one-time fair value adjustments from the acquisition.

Leagold's Q3 2017 adjusted earnings were \$5.2 million, or \$0.03 per share.

Table 4: Q3 2017 Adjusted Net Earnings

(In \$000s except shares and per share amounts)		3 Months ended September 30, 2017
Basic weighted average shares outstanding	Shares	149,471,734
Diluted weighted average shares outstanding	Shares	150,217,863
Net earnings	\$	317
Adjustments:		
Transaction and Non-recurring costs ¹	\$	1,686
Share based payments	\$	485
Foreign exchange loss	\$	319
Change in fair value of warrants derivatives	\$	872
Current income tax expenses	\$	285
Deferred income tax expense	\$	1,231
Adjusted net earnings	\$	5,195
Per share – Basic	\$ /share 0.03	
Per share – Diluted	\$ /share 0.03	

¹ Includes \$1.6 million in non-recurring transition costs for the three months ended September 30, 2017.

Financial statements and related MD&A are available on SEDAR and in the Investor Relations section of

Leagold's website here.

Conference Call Details

Management will host a conference call to discuss the Q3 2017 results on Tuesday, November 14, 2017 at:

9:00 am in Vancouver;
12:00 pm in Toronto and New York; and
5:00 pm in London, UK

Participants may dial in using the numbers below:

International: +1-617-896-9871
North America toll-free: 1-888-419-5570
UK toll-free: 080-8234-7616
Passcode: 609 394 61

The conference call can also be accessed through the following link:
<https://www.webcaster4.com/Webcast/Page/1736/23370>

The teleconference will be available for playback until December 14, 2017 on 1-877-481-4010 (North America toll free) or +1-919-882-2331 (international), and replay ID 10438. The webcast playback will be available on Leagold's website here until November 14, 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 recent acquisition of the Los Filos Mine, a low-cost gold producer in Mexico, provides an excellent platform for growth. For more information

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 for further information respecting the risks affecting Leagold and its business.

¹ Adjusted EBITDA and All-in sustaining cost ("AISC") are non-IFRS financial performance measures with no standard meaning under IFRS.

SOURCE [Leagold Mining Corp.](#)

Contact

on Leagold please visit the Company website at www.leagold.com or contact: Meghan Brown, VP - Investor Relations, +1-604-398-4525, mbrown@leagold.com

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