

Leagold Announces Feasibility Study for Los Filos Mine Expansion

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(All amounts in US dollars, unless otherwise indicated)

VANCOUVER, Jan. 16, 2019 - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) (Leagold or the Company) reports that its Feasibility Study (Expansion Feasibility Study) prepared by independent consultants for the expansion of the Company's Los Filos mine in Mexico is now complete. The Expansion Feasibility Study incorporates the potential for: development of the Bermejil underground mine, enlarging the Los Filos open pit mine, re-phasing of the Bermejil open pit into two distinct pits (Bermejil and Guadalupe), and the construction of a carbon-in-leach (CIL) processing facility to complement the existing heap leach facilities.

Highlights include:

- Gold production of 3.3 million ounces (Moz) over a 10-year mine life (2019 to 2028) at an average AISC¹ of \$795/oz
- Post expansion (2021 onwards):
 - Average annual production of 350,000 oz at AISC¹ of \$759/oz
 - Average annual production exceeding 400,000 oz from 2021 to 2023
- Proven and Probable mineral reserves of 111.3 Mt at 1.23 g/t containing 4.5 Moz²
- Capital cost of \$180 million to develop the Bermejil underground and construct a new 4,000 tonne per day (tpd) CIL plant with related infrastructure
- Current operations to fund capitalized stripping during the initial expansion phase (2019 to 2020) at the Guadalupe and Los Filos open pits
- At \$1,250/oz gold price:
 - NPV_{0%} of \$752 million
 - NPV_{5%} of \$565 million
 - Expansion capital payback period of less than 1 year
 - IRR of 87%

Leagold CEO Neil Woodyer commented: "When we acquired Los Filos in April 2017 from Goldcorp, we identified its potential to be developed into a long life, low-cost operation with significant scale. During the 20 months since the acquisition, we have carried out extensive exploration programs for both open pit and underground deposits, developed a 1,330-metre ramp to access the ore body at Bermejil underground, completed the Bermejil underground mine design, completed comprehensive metallurgical test work on all of the mineral deposits to support the CIL plant design, and learned a lot from current operations. Our investment in this work to date is approximately \$30 million and forms the basis of the independent Feasibility Study. The 43-101 technical report.

¹AISC is a non-GAAP measure. See AISC in the Cautionary Notes

²Proven reserve of 36.9 million tonnes at 0.76 grams per tonne containing 0.906 Moz gold plus Probable reserve of 74.5 million

tonnes at 1.44 grams per tonne containing 3.457 Moz gold (effective date of October 31, 2018, SRK Consulting (Canada) Inc.).

Additional notes are in Table 8

"The study forecasts a 10-year mine life with annual gold production approximately doubling from current rates. The Los Filos mineral reserves have increased to 4.5 Moz², from 1.7 Moz³ at the acquisition in 2017. Los Filos also has abundant mineral resources that provide additional opportunities for adding to the increased reserves and further extending the mine life. We intend to carry out additional exploration programs designed to extend mine life.

"The study identifies a new operating strategy which includes three large open pits, two high-grade underground mines, and the addition of a CIL plant to process the higher-grade ore, and the continued heap leaching of the lower-grade open pit ore.

Los Filos expansion will also benefit from existing operations and excellent infrastructure. Approximately 51% of the go production in the life of mine plan is from the CIL plant and 49% is from the existing heap leach facility.

"With this very positive study completed, we are now putting its findings into our overall corporate business model for p and corporate financing purposes. It is obviously a project we should undertake and therefore we are preparing a Los F development plan that includes construction planning, optimizing the sequencing of the major expansion projects, and recognizing the social and economic benefits created by the expansion opportunities and the engagement required from employees, contractors, unions and community members.

"The Los Filos acquisition and this expansion plan illustrate the benefits and success of our buy and build strategy."

²Proven reserve of 36.9 million tonnes at 0.76 grams per tonne containing 0.906 Moz gold plus Probable reserve of 74.5 million tonnes at 1.44 grams per tonne containing 3.457 Moz gold (effective date of October 31, 2018, SRK Consulting (Canada) Inc.)

Additional notes are in Table 8

³ See NI 43-101 compliant technical report entitled "Amended NI 43-101 Technical Report and Preliminary Economic Assessment, Los Filos Gold Mine, Guerrero State, Mexico" dated March 1, 2017 with effective date of December 31, 2016

The mineral reserve estimates and the site-wide life-of-mine (LOM) production plan have an effective date of October 31, 2018. The production estimates shown in this news release are for the period beginning January 1, 2019.

Since acquiring Los Filos in 2017, Leagold has added 2.8 Moz to Proven and Probable reserves at an average cost of more than \$10 per ounce.

Table 1: Expansion Feasibility Study Highlights (from Jan 1, 2019 to LOM)

Item Description		Units	LOM Total
Open pits (Los Filos, Guadalupe, and Bermejal)	Total ore mined	Mt	99.8
	Gold grade	g/t	0.81
	Contained gold – open pits	Moz	2.604
Underground mines (Los Filos and Bermejal)	Total ore mined	Mt	8.2
	Gold grade	g/t	6.33
	Contained gold – underground	Moz	1.666
Gold production	CIL	Moz	1.658
	Heap leach	Moz	1.500
	Secondary recovery	Moz	0.111
	Total gold production	Moz	3.269
AISC ¹		\$/oz	795
Net cash flow (after-tax, \$1,250/oz)		\$M	752
NPV 5%		\$M	565

Note:

¹ AISC is a non-GAAP measure. See AISC in the Cautionary Notes

The site-wide LOM plan for the Los Filos mine complex has contributions from two high-grade underground mines and three large, lower-grade open pits.

Underground Mining

Bermejal Underground

Bermejal underground mine design and cost estimation was completed by SRK Consulting (Canada) Inc. A total of 11 kilometres (km) of horizontal and vertical development will be completed during the initial development period and a further 45 km of development over the life of mine. The mine life extends for nine years producing 6.4 million tonnes (Mt) at 6.57 grams per tonne (g/t) for contained gold of 1.348 Moz (Proven reserves of 0.4 Mt at 7.50 g/t for 0.095 Moz gold and Probable reserves of 6.0 Mt at 6.51 g/t for 1.253 Moz gold). Mining costs of \$99 per tonne are based on contractor mining. The mining method is underhand drift and fill with cemented rock fill (CRF) used as backfill. Bermejal underground will have a dedicated CRF production plant. The production rate averages 2,000 tonnes per day (tpd) and peaks at 2,150 tpd. Bermejal underground contributes 31% of the contained gold in the LOM plan.

Los Filos Underground

The Los Filos underground mine is currently operating at over 1,800 tpd and in the LOM plan averages 1,700 tpd with mining costs of \$73 per tonne based on owner and contract mining. Reduced operating costs, improved mining efficiencies and additional drilling have enabled the update of the Los Filos underground

mine plan to extend to 2021. The reserves are 1.9 Mt at 5.50 g/t for a total of 0.338 Moz gold (Proven reserves of 0.8 Mt at 5.34 g/t for 0.144 Moz gold and Probable reserves of 1.1 Mt at 5.63 g/t for 0.194 Moz gold).

Open Pit Mining

Los Filos utilizes conventional open pit mining methods with an owner-operated fleet supplemented with rental of additional equipment during peak production periods. The average open pit mining costs are \$1.41 per tonne mined.

Los Filos Open Pit

The expanded Los Filos open pit has a Proven and Probable reserve of 42.7 Mt at 0.57 g/t containing 0.776 Moz (including dilution and recovery; Proven reserves of 34.1 Mt at 0.59 g/t for 0.645 Moz gold and Probable reserves of 8.6 Mt at 0.47 g/t for 0.131 Moz gold). The mine life was extended seven years to 2027. The Los Filos open pit has an overall strip ratio of 4.0.

Bermejal and Guadalupe Open Pits

The Bermejal and Guadalupe open pits have been split into two open pits and rescheduled to mine the higher-grade Guadalupe ore earlier in the schedule which significantly improves the economics. Guadalupe has a Proven and Probable mineral reserve of 26.3 Mt at 1.55 g/t Au for 1.313 Moz (Proven reserves of 0.2 Mt at 0.35 g/t for 0.003 Moz gold and Probable reserves of 26.1 Mt at 1.56 g/t for 1.310 Moz gold). A pushback in 2020 will open this up as a separate open pit that has a 10-year life. The Guadalupe pit has an overall strip ratio of 8.0.

The Bermejal open pit extends for at least five years to 2025 based on the current reserves. Proven and Probable mineral reserves are 34.0 Mt at 0.54 g/t Au for 0.588 Moz (Proven reserves of 1.3 Mt at 0.47 g/t for 0.019 Moz gold and Probable reserves of 32.7 Mt at 0.54 g/t for 0.569 Moz gold). The overall strip ratio of the Bermejal open pit is 2.7.

Table 2: Los Filos Underground Mining (from Jan 1, 2019 to LOM)

Item Description	Units	Los Filos Underground	Bermejal Underground	Total, Underground Mining
Total ore mined	kt	1,798	6,383	8,181
Gold grade	g/t	5.50	6.57	6.33
Contained gold	Moz	0.318	1.348	1.666
Contribution, contained gold	%	19%	81%	100%

Table 3: Los Filos Open Pit Mining (from Jan 1, 2019 to LOM)

Item Description	Units	Guadalupe Open Pit	Bermejal Open Pit	Los Fillos Open Pit	Total, Open Pit Mining
Total ore mined	kt	26,342	32,683	40,765	99,790
Total waste mined	kt	212,001	88,284	162,055	462,340
Total material mined	kt	238,343	120,967	202,820	562,130
Strip ratio	w:o	8.0	2.7	4.0	4.6
Gold grade	g/t	1.55	0.53	0.56	0.81
Contained gold	Moz	1.313	0.552	0.739	2.604
Contribution, contained gold	%	51%	21%	28%	100%

Additional opportunities for adding to resources and reserves include the south end of the Bermejal open pit, extensions to the southwest side of Bermejal underground and the continuation of the high grade mineralized zone below the Guadalupe open pit.

CIL and Heap Leach Processing

The CIL plant is expected to achieve higher recoveries (an average of 89.7%) and better financial returns than heap leach processing for the underground ore and the higher-grade portion of the open pit ores. The plant also provides the ability to process some ore types that were previously not included in reserves as they were not amenable to heap leach processing; this includes material with an elevated sulphur content which exhibits lower gold recoveries at the crush sizes typically used in crushing for heap leach processing. The plant is predicted to process a total of 12.4 Mt at an average grade of ore feed of 4.63 g/t gold with an average recovery of 89.7% to produce 1.658 Moz gold.

The Expansion Feasibility Study contemplates the existing heap leach facility continuing to operate throughout the full LOM plan. A total of 95.6 Mt of ore with an average grade of 0.79 g/t gold will be placed on the leach pads and have an average recovery of 61.9% to produce approximately 1.500 Moz gold.

Secondary recovery is expected to contribute an additional 0.111 Moz from surface re-leaching and re-handling of previously leached ore.

Contributions to the gold production in the LOM plan are 51% from the CIL plant, 46% from the heap leach and 3% from secondary recovery (Table 4).

Table 4: Los Fillos Processing (from Jan 1, 2019 to LOM)

Item Description	Units	CIL	Heap Leach	Secondary Recovery	Total, Processing
Total ore processed	kt	12,416	95,555	-	107,971
Gold grade	g/t	4.63	0.79	-	1.23
Contained gold	Moz	1.848	2.422	-	4.270
Recovery rate	%	89.7%	61.9%	-	-
Recovered gold	Moz	1.658	1.500	0.111	3.269
Contribution, recovered gold	%	51%	46%	3%	100%

The potential for addition of a SART (sulphidization, acidification, recycling and thickening) circuit in the plant is currently being investigated. A SART circuit would provide an opportunity to reduce cyanide consumption and yield a copper by-product for certain ores with elevated copper levels.

Expansion Capital Cost Estimate

The \$179.7 million (M) total expansion capital cost estimate is comprised of Bermejal underground mine development for \$65.4 M, construction of the 4,000 tpd CIL plant for \$76.3 M, and \$38.1 M for site infrastructure including a tailings filtration system, 40MW substation, and transmission line (Table 5).

Table 5: Los Filos Capital Cost Summary

\$Mn
 Description
 Bermejal 65.4
 underground
 16.3
 development
 16.1
 contingency
 System 15
 line
 Substation
 15
 Preparation
 of
 Tailings 79.7
 Expansion
 Capitalized
 costs
 30.5
 Salpêtre
 shipping
 2019
 2020
 2021
 2022
 Capitalized
 Operating
 costs
 12.9
 2019
 2020
 2021
 2022
 net
 current
 operations

The Bermejal underground mine utilizes the existing 1,330-metre exploration ramp as its main access ramp and includes an additional 11 km of development. The 15-month pre-commercial development period and the Expansion Feasibility Study assumes this commences in Q2 2019 and extends to Q3 2020 when the production rate sustains 1,100 tpd. Ore produced prior to start-up of the CIL plant will be sent to the heap leach facility.

The existing ramp extends from 1,428 metre elevation at the bottom of the mined-out portion of the Bermejal open pit to 1,238 metre elevation; mineralization extends to at least 770 metre elevation. The Expansion Feasibility Study contemplates sustaining development continuing to 2026 to provide access to all six mineralized areas. Over 75% of the ounces are from the central zone (zone 5) which has the highest grades and widest intervals of mineralization.

The CIL plant has an 18-month construction period plus three months of initial detailed engineering and procurement of long lead-time equipment. The plant includes single stage crushing and SAG grinding prior to the CIL leaching process. As an opportunity to reduce capital costs, the plant utilizes modified facilities at the existing ADR (adsorption desorption recovery) processing plant including an acid wash and elution columns, eluate heating and handling equipment and gold room to recover gold and silver from the CIL-loaded carbon. New, larger, electrowinning cells and rectifiers will be added to handle the higher gold and silver loadings on the carbon.

Tailings are thickened, filtered and washed with low cyanide barren solution for improved water management and long-term storage as dry stacked tailings will be placed in a lined facility at the south end of the heap leach pads. The benefits of dry stack tailings include the recirculation of a high proportion of the process

water; minimizing the footprint of the deposition facility and use of stacking of tailings in an area of high seismic activity.

A new 40MW substation with 100% transformer redundancy will satisfy the full electrical requirement for the entire mine site including the CIL plant and the Bermejal underground mine. The substation will be connected to a new 115 kV high voltage power line.

Other major projects include capitalized stripping at the expanded Los Filos, Guadalupe and Bermejal open pits. These projects are being funded by cash flow from current operations as shown in Table 5. The Expansion Feasibility Study contemplates the principal expansion activities as scheduled in Figure 4. The pre-commercial development phase for Bermejal underground extends to Q3 2020, when the underground operation sustains commercial rates of ore production of approximately 1,100 tpd. The construction of the CIL plant is scheduled for 18 months, with commissioning and ramp-up to occur in Q3 2020. The expansion of open pit mining operations, with pre-stripping at Guadalupe and a pushback at Los Filos, is scheduled for 2020. The pushback to expand the Bermejal open pit is scheduled for 2021.

The Bermejal underground has an approved EIA (environmental impact assessment) and the restart of development is fully permitted. The EIA for the CIL plant and tailings deposits has also been approved. The permits to commence construction of the CIL plant and tailings deposits will require satisfaction of customary conditions, and are expected within the study development timeline.

Figure 4: Expansion Feasibility Study Indicative Timeline (2019-2020)

	2019				2020			
Principal Expansion Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bermejal underground, development		X	X	X	X	X		
CIL plant construction		X	X	X	X	X	X	
Capitalized open pit stripping:								
Guadalupe open pit					X	X	X	X
Los Filos open pit					X	X	X	X

Los Filos – Summary Cash Flow

The financial analysis in the Expansion Feasibility Study has been performed on an after-tax basis using the parameters summarized in Tables 2, 3, 4, 5 and 6. The key economic assumptions are outlined in Table 6, and the Los Filos cash flow summary is shown in Table 7.

Table 6: Los Filos Average Operating Costs

Item Description	Units	LOM Average
Mining cost – open pit	\$/t material moved	1.41
Mining cost - underground	\$/t ore	93.5
Processing costs – heap leach	\$/t placed	5.5
Processing costs – CIL plant	\$/t processed	14.8
Site G&A, community, and land access	\$M/year	30
Cash cost per ounce ⁽¹⁾	\$/oz	707
AISC per ounce ⁽¹⁾	\$/oz	795

Notes:

¹ Cash cost and AISC are Non-GAAP measures. See Cash cost and AISC in the Cautionary Notes

Table 7: Los Filos Summary Cash Flow (from Jan 1, 2019 to LOM)

Units Expansion FS

Description

\$1,250 gold price

\$1,250 gold price

Royal (21)

Refining

and

transportation,

plus

Operating

margin

Sustaining

capital

Sustaining

capital

development

other

(non-sustaining)

Filos

Boone (20)

open

Quadrant

open

Reclamation

Net 1,251

cash

flow (320)

before

taxes

Net

flow (100)

before

Expansion

Capex

565

&

SLC 795

Plant

Expansion

capex

Expansion

period

IRR

(after-tax)

Notes:

¹ AISC is a non-GAAP measure. See AISC in the Cautionary Notes

At \$1,250/oz gold price, the life of mine is expected to generate net cash flow of \$752 million over 10 years.

Employment and Economic Impact

The Expansion Feasibility Study demonstrates substantial employment and economic benefits to the

company employees, our communities, and the local, state and federal governments. The projects will provide additional jobs during the construction and development phases of the expansion and new long-term employment, should the expansion projects go ahead.

Economic benefits include:

- Increase in Federal and State taxes
- Increase in royalty and mining duty payments
- Increase in employment taxes
- Extending the current and future employment opportunities at the Los Filos operations
- Extending the relationships with the local communities by extending the life of the mine

The feasibility of these expansion projects includes the continuing favourable relationship with local communities.

Mineral Reserves

The Mineral Reserves have been updated based on the parameters of the Expansion Feasibility Study and have been estimated using a gold price of \$1,200/oz, as detailed in Table 8.

Table 8: Los Filos Mineral Reserve Statement (Effective Date of October 31, 2018)

Classification	Mining Method	Tonnes Gold grade Contained Gold		
		(kt)	(g/t)	(koz)
Proven	Open Pit	35,627	0.58	667
	Underground	1,231	6.03	239
	Proven total	36,858	0.76	906
Probable	Open Pit	67,409	0.93	2,009
	Underground	7,062	6.38	1,447
	Probable total	74,471	1.44	3,457
Proven and Probable	Open Pit	103,036	0.81	2,677
	Underground	8,293	6.32	1,686
	Proven and Probable	111,328	1.22	4,363
Probable Leach Pad Inventory (recoverable)				114
Total Proven and Probable				4,477

Notes:

¹ CIM (2014) definitions were followed for Mineral Reserves

² Mineral Reserves for Bermejal Underground were prepared by SRK Consulting (Canada) Inc. Mineral Reserves for all other

deposits were prepared by the Los Filos mine and reviewed by SRK

³ Mineral Reserves are quoted using a NSR break-even cut-off grade approach with minimum block NSR of \$149.4/t for Bermejal underground. Cut-off grade for the Los Filos underground is 2.59 g/t. Mineral reserves for Los Filos, Bermejal and Guadalupe open pits are based on variable break-even cut-offs for ore revenue as generated by process destination and recoveries. Variables for revenue calculation include process cost, recovery, and estimated gold, copper and sulphur grades.

⁴ Mineral Reserves are based on Measured and Indicated Mineral Resources

⁵ Metal price assumption for gold was US\$1,200/oz

⁶ Tonnage and grade measurements are in metric units. Contained gold are reported as troy ounces

⁷ Summation errors may be present due to rounding

There are no known legal, political, environmental or other risks that could materially affect the potential development of the mineral resources or mineral reserves. For clarification, the Proven and Probable mineral reserves have an effective date of October 31, 2018 while the majority of discussion of the Expansion Feasibility Study in this news release relates to the period of January 1, 2019 to the end of the mine life.

Technical Report

A technical report for the Expanded Feasibility Study, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101), will be filed under Leagold's profile on SEDAR at www.sedar.com within 45 days of the date of this news release.

Qualified Persons

The mineral resources and mineral reserves reported within the Expansion Feasibility Study were prepared in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by CIM Council on May 10, 2014. The technical information contained in the Expanded Feasibility Study was prepared by and, or, reviewed and approved by the following independent "Qualified Persons" as defined by NI 43-101, and they have reviewed and approved the contents of this news release. The Qualified Persons have also verified the data included in the news release.

Qualified Persons	Company	Scope / Responsibility
Dr. Gilles Arseneau, P.Geo	SRK Consulting (Canada) Inc	Mineral Resources
Neil Winkelmann, FAusIMM		Bermejil underground mine production, cost estimates and Mineral Reserves. Overall project risk assessment, implementation and economics, overall report compilation
Timothy Olson, FAusIMM	SRK Consulting (US) Inc	Los Filos underground, Los Filos, Bermejil and Guadalupe open pit mines production, cost estimates and Mineral Reserves
Eric Olin, RM?SME		Heap leach metallurgical testwork review and interpretations, heap leach process plant review and cost estimates
Neil Lincoln, P.Eng	Lycopodium Minerals Canada Ltd	CIL metallurgical testwork management and interpretation, process plant and related process infrastructure design, process capital and operating cost estimates, risk assessment, project implementation
David Nicholas, P.E	Call & Nicholas	Bermejil underground mine geotechnical

This news release has been reviewed on behalf of Leagold by Doug Reddy, Leagold's Senior Vice President, Technical Services, a "Qualified Person" as defined by NI 43-101.

About Leagold Mining Corporation

Leagold is building a mid-tier gold producer with a focus on opportunities in Latin America. The Company is based in Vancouver, Canada and owns four operating gold mines in Mexico and Brazil, along with a near-term gold mine restart project in Brazil and an expansion opportunity at the Los Filos mine in Mexico. Leagold is listed on the TSX under the trading symbol "LMC" and trades on the OTCQX market as "LMCNF". For more information on Leagold please visit the Company website at www.leagold.com or contact:

Cautionary Note Regarding Forward Looking Statements

This news release contains "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation. Forward-looking information and forward looking statements include, but are not limited to, statements with respect to the results of the Expansion Feasibility Study, anticipated production, reserves, , expected AISC and cash costs, potential for development at the Bermejil underground mine, enlarging the Los Filos open pit mine, re-phasing of the Bermejil open pit into two distinct open pits (Bermejil and Guadalupe) and the construction of a carbon-in-leach processing facility. Generally, these forward looking information and forward looking statements can be identified by the 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", "will continue" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Statements concerning mineral resource estimates may also be deemed to constitute forward looking information to the extent that they involve estimates of the mineralization that will be encountered. The material factors or assumptions used to develop forward looking information or statements are disclosed throughout this document.

Forward looking information and forward looking statements, while based on management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Leagold to be materially different from those expressed or implied by such forward-looking information or forward looking statements, including but

not limited to: risks related to international operations; risks related to general economic conditions and credit availability, 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 mineral 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 obtaining governmental approvals or financing or 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 the Company operates, actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled "Description of the Business & Risk Factors" in Leagold's most recent AIF available on SEDAR at www.sedar.com.

Although Leagold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information and 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 information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking information and forward-looking statements and to the validity of the information, in the period the changes occur. 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.

All-in Sustaining Costs

This news release refers to expected AISC per ounce which is a non-GAAP (generally accepted accounting principles) measure however is a measure the Company believes more fully-defines the total costs associated with producing gold. This measurement has no standardized meaning under International Financial Reporting Standards (IFRS) accordingly there may be some variation in method of computation of "all-in sustaining costs" as determined by the Company compared with other mining companies. AISC reported by Leagold includes mine cash costs, land access payments, royalties, and sustaining capital expenditures, but excludes non-sustaining capitalized stripping and end of life reclamation costs. The LOM AISC of \$795/oz increases to \$811/oz if end of mine life reclamation costs are included in accordance with the World Gold Council guidance on AISC.

This measurement is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash Costs

This news release refers to expected total cash costs which are a common financial performance measure in the gold mining industry however it has no standard meaning under IFRS. The Company reports total cash costs on a per ounce sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS such as costs of sales, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs. Adoption of the standard is voluntary and other companies may quantify this measure differently because of different underlying principles and policies applied.

Appendix A & Gold Production Summary

	Total/Avg 2019	2020	2021	2022	2023	2024	2025	2026
Mining schedule – Open pits								
Los Filos Open Pit								
Total material moved, kt	202,820	15,948	29,700	29,700	24,750	24,750	21,912	19,800
Total waste moved, kt	162,055	10,775	27,410	25,559	19,350	19,033	20,324	16,405
Total ore mined, kt	40,765	5,173	2,290	4,141	5,400	5,717	1,588	3,395
Stripping ratio, w:o	4.0	2.1	12.0	6.2	3.6	3.3	12.8	4.8
Au grade – ore mined, g/t	0.56	0.46	0.34	0.40	0.48	0.84	1.31	0.46
Contained gold – ore mined, oz	739,313	75,830	25,246	53,332	82,477	153,825	66,993	50,392
Bermejal Open Pit								
Total material moved, kt	120,967	2,312	0	14,973	30,000	30,000	30,000	13,683
Total waste moved, kt	88,284	898	0	13,920	23,966	23,243	20,970	5,286
Total ore mined, kt	32,683	1,414	0	1,053	6,034	6,757	9,030	8,397
Stripping ratio, w:o	2.7	0.6	0.0	13.2	4.0	3.4	2.3	0.6
Au grade – ore mined, g/t	0.53	0.63	0.00	0.29	0.37	0.47	0.52	0.69
Contained gold – ore mined, oz	551,711	28,523	0	9,703	72,725	102,649	151,299	186,811
Guadalupe Open Pit								
Total material moved, kt	238,343	0	30,000	22,000	36,173	39,200	36,800	36,800
Total waste moved, kt	212,001	0	29,430	18,914	32,212	32,665	34,304	35,460
Total ore mined, kt	26,342	0	570	3,086	3,961	6,535	2,496	1,340
Stripping ratio, w:o	8.0	0.0	51.6	6.1	8.1	5.0	13.7	26.5
Au grade – ore mined, g/t	1.55	0.00	0.99	2.09	1.97	0.86	0.29	0.72
Contained gold – ore mined, oz	1,312,815	0	18,169	207,803	250,691	181,415	23,533	31,143
Total Open Pit								
Total material moved, kt	562,130	18,260	59,700	66,673	90,923	93,950	88,712	70,283
Total waste moved, kt	462,340	11,674	56,840	58,393	75,528	74,941	75,597	57,151
Total ore mined, kt	99,790	6,587	2,860	8,279	15,395	19,009	13,115	13,131
Stripping ratio, w:o	4.6	1.8	19.9	7.1	4.9	3.9	5.8	4.4
Au grade – ore mined, g/t	0.81	0.49	0.47	1.02	0.82	0.72	0.57	0.64
Contained gold – ore mined, oz	2,603,839	104,353	43,415	270,838	405,894	437,889	241,825	268,346
Mining schedule – Underground mines								
Los Filos Underground								

Total ore mined, kt	1,798	717	622	458	0	0	0	0	0
Au grade – ore mined, g/t	5.50	5.69	5.03	5.84	0.00	0.00	0.00	0.00	0.00
Contained gold – ore mined, oz	317,947	131,243	100,619	86,085	0	0	0	0	0
Bermejal Underground									
Total ore mined, kt	6,383	147	455	721	693	673	736	704	71
Au grade – ore mined, g/t	6.57	4.43	4.92	6.15	7.50	8.19	8.87	7.35	5.7
Contained gold – ore mined, oz	1,348,186	20,920	71,876	142,715	166,911	177,377	209,919	166,248	13
Total Underground									
Total ore mined, kt	8,181	864	1,077	1,180	693	673	736	704	71
Au grade – ore mined, g/t	6.33	5.48	4.98	6.03	7.50	8.19	8.87	7.35	5.7
Contained gold – ore mined, oz	1,666,133	152,163	172,495	228,800	166,911	177,377	209,919	166,248	13
Processing schedule – Heap leach									
Total ore processed, kt	95,555	7,451	3,201	7,999	14,628	18,222	12,391	12,375	9,5
Au grade – ore processed, g/t	0.79	1.07	1.19	0.94	0.70	0.67	0.53	0.57	0.6
Au recovery, %	61.9%	72.8%	69.9%	62.6%	61.8%	61.1%	54.3%	53.2%	59
Recovered gold, oz	1,499,927	186,759	85,289	150,759	202,391	238,264	114,573	120,859	10
Processing schedule – CIL plant									
Total ore processed, kt	12,416	0	736	1,460	1,460	1,460	1,460	1,460	1,4
Au grade – ore processed, g/t	4.63	0.00	3.97	5.51	5.22	4.80	5.13	4.41	4.1
Au recovery, %	89.7%	0.0%	92.6%	91.5%	88.8%	88.8%	88.6%	88.8%	90
Recovered gold, oz	1,658,476	0	86,936	236,627	217,693	199,994	213,380	183,950	17
Notes: (1) Total gold production includes 110,735 oz from secondary recovery									
Total silver production, oz	4,121,924	55,658	196,026	534,456	478,910	619,810	522,654	507,224	42
Total gold production (1), oz	3,269,138	222,760	206,538	411,678	436,212	438,259	327,953	304,808	28
Appendix B – Cash Flow Summary (\$1,250/oz)									
Total / 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029									
Avg									
Cash									
flow									
4,005.42									
Revenue									
10,250									
Costs									
1.4 1.3 2.6 2.7 2.8 2.1 1.9 1.8 2.2 1.8									
gold									
Refining									
\$M									
transport,									

plus
silver
credits

-11.3 0.9 0.2 -0.3 0.0 -0.8 -1.0 -1.2 -1.0 -3.5 -4.4

Net

revenue

4,075.0

276.0

256.6

512.1

542.3

545.6

408.7

380.1

355.5

436.3

361.9

Operating costs											
2021	25.0	18.4	63.4	120.2	124.9	80.8	56.3	63.6	31.5	9.0	
open pit											
2021	60.5	98.9	112.1	175.4	68.9	67.0	66.6	74.6	71.6	69.6	
underground											
2021	77.0	51.7	80.3	108.8	117.5	73.7	82.9	84.5	74.4	38.7	
Processing (CIL)											
2021	33.6	32.7	32.7	29.3	29.3	29.3	29.3	28.9	28.9	22.2	
2021	66.1	201.7	288.6	333.7	340.6	250.7	235.1	251.5	206.5	139.5	
2021	66.1	201.7	288.6	333.7	340.6	250.7	235.1	251.5	206.5	139.5	
operating costs											
2021	66.1	201.7	288.6	333.7	340.6	250.7	235.1	251.5	206.5	139.5	
Operating Margin											
2021	18.6	18.3	10.6	7.1	5.1	3.6	4.4	0.0	0.0		
Sustaining capital											
2021	9.3	6.1	7.1	8.2	5.4	4.7	10.8	11.1	0.6		
underground											
2021	85.3	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other cash;											
2021	19.9	10.6	0.0	0.0	19.5	4.1	0.0	0.0	0.0	0.0	
Other cash;											
2021	0.0	6.2	13.9	9.4	0.0	0.0	0.0	0.0	0.0	0.0	
Other cash;											
2021	0.0	0.0	0.6	0.0	19.7	37.8	11.2	0.0	0.0	0.0	
Other cash;											
2021	18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other cash;											
2021	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52.0
Other cash;											
2021	-7.8	-127.3	180.8	176.4	180.3	108.3	94.8	77.6	218.7	221.8	-52.0
Net project											
2021	3.5	6.7	1.5	17.5	15.8	57.6	32.1	26.2	21.2	67.9	69.5
flow, before											
2021	-11.3	-134.0	179.3	158.9	164.4	50.7	62.7	51.4	197.5	153.8	-121.6
taxes											
2021	-145	34	193	357	408	471	522	720	874	752	
cumulative											
2021			179	338	503	553	616	668	865	1,019	897
cash flow											
2021											
cash flow											
2021											
Internal rate											
2021	\$814	\$902	\$663	\$737	\$748	\$725	\$728	\$837	\$549	\$452	
return											
2021	\$951	\$1,119	\$766	\$812	\$817	\$800	\$801	\$938	\$621	\$478	
Sustaining											
2021			\$766	\$812	\$817	\$800	\$801	\$938	\$621	\$478	
cash flow											
2021											
cash flow											
2021											

Notes: ⁽¹⁾ Gross revenue calculated at \$1,250/oz gold price;⁽²⁾ Cash cost and AISC is a non-GAAP financial measures (see Cash cost and AISC in the Cautionary Notes), MNX-USD exchange rate of 20

SOURCE [Leagold Mining Corp.](#)

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