

Leagold Mining to acquire Los Filos from Goldcorp as its first gold mine

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- Leagold to acquire the Los Filos Gold Mine in Mexico for US\$350 million, of which US\$279 million will be paid in cash and US\$71 million in common shares of Leagold.
- Goldcorp to become an approximate 30% shareholder of Leagold at completion.
- Leagold will undertake debt and equity financings, arranged by UBS Investment Bank and BMO Capital Markets, respectively.
- Los Filos Mine is one of Latin America's largest gold mines with 2015 production of 272,900 ounces, and 9 months to September 30, 2016 production of 194,000 ounces at an AISC/oz of US\$854.
- Leagold aims to build a new mid-tier gold producer with a focus on opportunities in Latin America; Los Filos is the first acquisition.

VANCOUVER, Jan. 12, 2017 - [Leagold Mining Corp.](#) (TSX-V: LMC.H) ("Leagold") is pleased to announce that it has entered into a binding sale and purchase agreement with [Goldcorp Inc.](#) ("Goldcorp") dated January 11, 2017 to acquire the Los Filos Gold Mine in Guerrero State, Mexico for US\$350 million (the "Acquisition") through the purchase of Goldcorp's Desarrollos Mineros San Luis S.A. de C.V. ("DMSL") subsidiary. The purchase price is made up of US\$279 million in cash and US\$71 million in common shares of Leagold. Based on Leagold's transaction financing plan, Goldcorp is expected to become an approximate 30% shareholder of Leagold at completion of the Acquisition. Goldcorp will have the right to nominate a director to Leagold's Board at completion of the Acquisition.

The Los Filos operation consists of two open-pit mines, Los Filos and El Bermejil, an underground mine at Los Filos and the opportunity to develop an underground mine at El Bermejil. Gold is recovered from crushed and run-of-mine ore via a conventional, low-cost heap leach process. A National Instrument 43-101 independent Technical Report, that will include detailed information on Los Filos and the potential underground mine at El Bermejil, is being prepared by Stantec Consulting International LLC. This report is expected to be filed on SEDAR in late January 2017. This is a preliminary news release regarding this Acquisition and Leagold will provide additional information in a comprehensive news release when contents of the 43-101 are available. Leagold advises that its common shares will remain halted from trading on the TSX Venture Exchange ("TSX-V") until further notice.

Neil Woodyer, CEO, commented, "The Los Filos Gold Mine represents an exceptional opportunity to acquire a quality operation with scale that generates free cash flow and has an identified future growth project. Los Filos has near-term upside potential from optimizing the current operations under a focused management team and from the development of a new underground mine at El Bermejil. Additionally, there are several exploration opportunities within the area of current operations that could extend mine life. Leagold's management team has significant experience successfully acquiring gold mines, increasing productivity, lowering costs and optimizing development projects. We look forward to working with the Los Filos team and the local communities to develop the long-term potential of the mine. We are also pleased to be partnering with Goldcorp with a shared vision of Leagold becoming a leading intermediate gold producer in Latin America with a 'buy & build' strategy that includes the acquisition of additional gold mines and developing advance-stage projects into operating mines."

Frank Giustra, Chairman, commented, "We are thrilled to have Goldcorp as a strategic partner as we launch Leagold with a tremendous asset. We have a highly-experienced management team that is strengthened by a well-connected Board of Directors giving us the mix of skills and relationships needed to achieve our strategic goals."

The Acquisition

Leagold will purchase the Los Filos Gold Mine and related assets for US\$350 million, of which US\$279 million will be paid in cash and US\$71 million in common shares of Leagold. Leagold has also agreed to distribute to Goldcorp the VAT receivable amount in DMSL that is outstanding as of the Acquisition completion date, as and when these amounts are received from the Mexican tax authorities. Leagold will undertake debt and equity financings to fund the Acquisition and related working capital. Leagold has

engaged UBS Investment Bank to arrange the debt financing and BMO Capital Markets to arrange the equity financing.

Completion of the Acquisition is expected during Q1 2017 and is subject to standard conditions, including the completion of acquisition financing, receipt of Mexican anti-trust approvals, and the approval of the TSX-V. As this is an arm's length transaction and pursuant to TSX-V Policy 5.2, Leagold is not required to receive approval from its shareholders. Leagold intends to apply for a sponsorship waiver pursuant to TSX-V Policy 2.2.

The price of the common shares of Leagold to be provided to Goldcorp as part of the consideration for the Acquisition will be equal to the price at which Leagold issues shares under its equity financing and Goldcorp has agreed to hold these shares for a minimum of two years, subject to certain exceptions.

Upon completion of the Acquisition, Goldcorp will be entitled to maintain its percentage ownership of the issued and outstanding common shares of Leagold as well as have representation on Leagold's Board of Directors. These entitlements will remain in place so long as Goldcorp's share ownership of Leagold remains at or above 10% of the issued and outstanding common shares of Leagold.

UBS Investment Bank is acting as Leagold's exclusive M&A advisor, and both UBS Investment Bank and BMO Capital Markets have advised on Leagold's transaction financing plan and capital structure.

Leagold's legal counsel is Fasken Martineau DuMoulin LLP.

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.

William A. Glover, P. Eng., is a Qualified Person under NI 43-101 and independent of Leagold, and has reviewed and approved the technical contents of this news release on behalf of Stantec Consulting International LLC.

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.H".

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 completion of the Acquisition, Leagold's plans and operating performance, including in respect of the Acquisition financing and growth potential of the Los Filos Mine, the estimation of mineral reserves and resources, the timing and amount of estimated future production, costs of future production, future capital expenditures, future financing sources, and the success of exploration activities. 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 completion of the Acquisition, including receipt of all necessary approvals, risks related to the successful integration of acquisitions; 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 publically 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.

There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Leagold should be considered highly speculative. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release. 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.

AISC and free cash flow are non-GAAP financial performance measures with no standard meaning under IFRS.

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Contact

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