

Leagold Arranges Financings to Close with the Brio Acquisition

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(All amounts in US\$, unless otherwise indicated)

VANCOUVER, May 2, 2018 /CNW/ - [Leagold Mining Corp.](#) (TSX:LMC; OTCQX:LMCNF) ("Leagold" or the "Company") to announce the following debt and equity financings have been arranged, subject to completion of its acquisition of [Brio](#) ("Brio"):

- Leagold's existing \$150 million senior secured credit facility has been amended to provide an additional \$100 million of funding. The \$100 million tranche will have a term of 18 months and will be used to fully repay Brio's \$75 million secured credit facility and the drawn amounts of Brio's \$22 million of debt with a group of Brazilian banks.
- Orion Resource Partners ("Orion"), through a fund it manages, has agreed to subscribe for, on a private placement, \$45 million worth of Leagold common shares at C\$2.7143 per share. This investment is expected to result in Orion's ownership in Leagold being maintained, on a pro forma basis, at approximately 16%.

Neil Woodyer, CEO, commented, "We are very pleased with the strong support from Leagold's current lenders and Societe Generale and Investec; in providing an 18-month debt package that refinances the existing debt of Brio and increases our working capital. We are also pleased with Orion's decision to maintain its equity ownership level in Leagold at approximately 16%, which is consistent with Orion's participation rights, through the subscription of \$45 million of equity at Leagold's current market price. Later this year, and after the studies on the construction of a carbon-in-leach plant at the mine are finalized, we expect to arrange a long-term and upsized financing structure with Societe Generale engaged as arranger. As part of the transaction, Investec has been mandated as Technical Agent for the lenders and will be working with Leagold as the studies are completed. Leagold's growth projects include the Bermejil Underground expansion at the mine, Brio's restart of the Santa Luz mine, and the potential construction of a carbon-in-leach processing plant at the Los Filos mine that would enable higher recoveries for a wider range of ore types."

Additional Information on the \$100 Million Tranche

Leagold has executed an amended and restated senior secured credit agreement with its syndicate of lenders that provides for a new \$100 million tranche. The use of proceeds includes repayment of Brio's \$75 million senior secured credit facility and the drawn amounts of Brio's credit facilities with a group of Brazilian banks, which amounted to \$22 million at December 31, 2017. The repayment of Brio's existing debt is expected to happen concurrently with the completion of the acquisition of Brio, expected to close in 2018. The \$100 million tranche will bear interest at LIBOR plus 5.25% and the principal amount will be due as a single payment at the maturity date, being 18 months from completion of the Brio acquisition. The entire loan facility may be repaid at any time without penalty. As consideration for the new \$100 million tranche and effective as of closing of the Brio acquisition, Leagold has agreed to pay a fee of \$1.5 million to the lenders and to increase the aggregate gold off-take delivery commitment, on a pro rata basis, by 1.833 million ounces in the principal amount, to 1.833 million ounces with deliveries from the Los Filos mine and the Brio mines. In addition, Leagold will issue 2.0 million warrants to Orion, with each warrant exercisable for one Leagold common share for a period of 5 years from the date of issuance at an exercise price of C\$3.529, equivalent to 130% of the equity subscription price.

Additional Information on the \$45 Million Equity Private Placement

Orion has agreed to subscribe, on a private placement basis, for \$45 million of Leagold common shares at C\$2.7143 per share, based on Leagold's five-day volume weighted average price for the period ended May 1, 2018. There are no fees payable by Orion in respect to the private placement. On completion, this will result in Orion acquiring 21,317,098 new Leagold common shares, which will allow Orion to maintain its current ownership interest in Leagold on a pro forma basis at approximately 16%.

On completion of the Brio acquisition and including the Orion private placement, [Yamana Gold Inc.](#) and [Goldcorp Inc.](#) are expected to hold approximately 20.5% and 12.2% of the outstanding common shares of Leagold, respectively. The private placement is expected to close concurrently with the acquisition of Brio and is subject to certain customary conditions, including approval by the Board of Directors.

Toronto Stock Exchange. All securities issued to Orion will be subject to a statutory hold period of four months.

Additional Information on the Debt Funding Mandate with Societe Generale

Leagold has engaged Societe Generale as lead debt arranger for the debt portion of an upsized financing structure for of refinancing Leagold's current \$150 million facility, the new \$100 million tranche associated with the Brio acquisition, and providing additional capital to accelerate the development of Leagold's growth projects. This long-term financing structure is expected to include a new senior secured credit facility and/or the issuance of high-yield notes.

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 100% of the Los Filos mine in Mexico. Leagold is listed on the TSX under the trading symbol "LMC" and on the OTCQX market as "LMCNF".

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable laws). Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "expect", "may", "plan", "project", "should", "scheduled", "intend", "objective", "continuous", and "estimate", or similar words suggesting events, circumstances or outcomes. Forward-looking statements in this news release include anticipated timing of the completion of the Brio acquisition, debt and equity financings and conditions related thereto, including approvals of the TSX, use of proceeds from the debt and equity financings, the ability of Societe Generale to arrange a refinancing of Leagold's debt in the future, and the structure of the new long-term financing structure.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the failure to obtain regulatory or other approvals or meeting the other conditions in connection with the proposed Brio acquisition, completion of the Brio acquisition, and those risk factors identified in Leagold's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at www.sedar.com under Leagold's profile.

There are no assurances that Leagold can fulfill forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to Leagold's management team; actual events or results may differ materially as a result of risks facing Leagold, some of which are beyond Leagold's control. Although Leagold disclaims that any forward-looking statements and information contained in this news release are based on reasonable assumptions, it cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. 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 results of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future events. Please refer to Leagold's most recent filings under its profile at www.sedar.com for further information respecting the risks facing Leagold and its business.

SOURCE [Leagold Mining Corp.](http://www.leagold.com)

Contact

For more information 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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