LEAGOLD MINING CORPORATION

Management's Discussion and Analysis

For the year ended December 31, 2017 and the fifteen-month period ended December 31, 2016

(Expressed in Thousands of United States Dollars)

The following discussion and analysis of the financial condition and results of operations of Leagold Mining Corporation. ("Leagold" or the "Company") should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2017, as well as the audited financial statements for the 15-month period ended December 31, 2016, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). During 2016, the Company changed its year end from September 30 to December 31, to provide for improved comparability with its gold sector peers. All monetary amounts are in United States dollars unless otherwise specified.

The Management's Discussion and Analysis is prepared as of March 8, 2018. Additional information regarding the Company, including its Annual Information Form is available on SEDAR at www.sedar.com.

BUSINESS OVERVIEW

Leagold is a Canadian based gold producer with an operating mine, Los Filos, in Mexico. The Company's shares are listed on the Toronto Stock Exchange (the "TSX") (symbol: LMC) and quoted in the United States on the OTCQX International (symbol: LMCNF).

Leagold's corporate strategy is to identify and acquire operating gold mines and projects nearing construction within Latin America which can be consolidated regionally and where the acquired assets complement each other. This involves targeting non-core gold assets from Senior producers and the acquisition of publicly listed junior producers. Leagold's post-acquisition strategy is to focus on unlocking value from implementing optimizations, de-risking projects and investing in exploration. Leagold has an experienced management team with a history of creating shareholder value and operational success.

On April 7, 2017 (the "Acquisition Date"), the Company completed the acquisition of the Los Filos mine in Guerrero State, Mexico from Goldcorp Inc. ("Goldcorp"), for total consideration of $350 million (the "Acquisition"). Further details of the Acquisition can be found under "Los Filos – Acquisition". The Los Filos mine is an ideal cornerstone asset to launch Leagold's growth strategy.

On February 16, 2018 Leagold entered into a definitive agreement with Brio Gold Inc. ("Brio") to acquire, on a Brio Board supported basis by way of a statutory plan of arrangement, all of the issued and outstanding shares of Brio. The acquisition of Brio has the potential to transform Leagold into an intermediate gold producer with four mines and a development project with diversification across Mexico and Brazil. On a pro forma basis, Leagold is expected to produce between 420,000 and 475,000 ounces ("oz") in 2018, based on market guidance provided by each of Leagold and Brio[(1)]. Leagold will also have a strong platform for further growth in Mexico, Brazil, and other regions of Latin America.

2017 HIGHLIGHTS

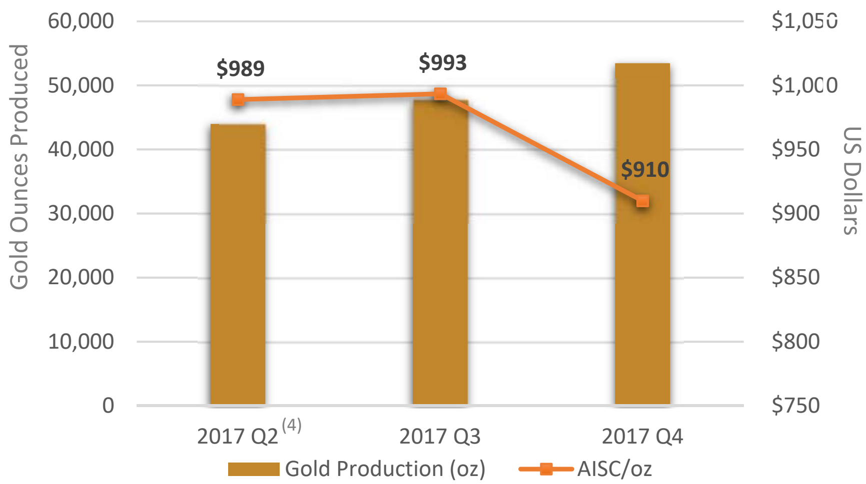
- For the three months ended December 31, 2017, Los Filos mine:
  - Produced 53,446 gold ounces
  - Sold 51,138 gold ounces
  - AISC/oz[(2)] of $910
  - Revenues of $65.3 million
  - Earnings from mine operations of $10.2 million
  - Adjusted EBITDA[(2)] of $13.8 million
  - All-in sustaining cost margin[(2)] of $18.7 million
- From Acquisition Date of April 8, 2017 to December 31, 2017, Los Filos mine:
  - Produced 145,192 gold ounces (191,195 gold ounces for the full year 2017)
  - Sold 152,411 gold ounces (194,882 gold ounces for the full year 2017)
  - AISC/oz[(2)] of $964

[1] Leagold news release of 19 January 2018 with 2018 guidance of 215,000 to 240,000 oz and Brio news release of 16 January 2018 with 2018 guidance of 205,000 to 235,000 oz.
[2] Non-IFRS measure, see Non-IFRS Financial Performance Measures for reconciliation. AISC includes mine cash costs, land access payments, royalties and sustaining capital expenditures.

- Revenues of $193.7 million
- Earnings from mine operations of $27.5 million
- Adjusted EBITDA(3) of $43.1 million
- All-in sustaining cost margin(3) of $46.1 million

- With full-year Los Filos gold production of 191,195 gold ounces, Leagold has delivered the mid-point of the 2017 production guidance range of between 185,000 to 200,000 gold ounces.
- The Q4 2017 results show progressive improvements in AISC/oz to date, which is a direct result of the operating improvements at Los Filos. These cost improvements are expected to continue into 2018.
- Leagold had anticipated AISC/oz of between $875 to $925 for H2 2017, and this guidance range was achieved for Q4/2017.

Figure 1: 2017 quarterly production and AISC/oz profile



- Leagold continues to advance the Bermejal Underground expansion project, including:
  - The completion of a 56,000 metre drill program with 111 holes drilled in 2017. The program was completed in December 2017 and an updated Resource estimate was completed in Q1 2018.
  - Ongoing development of the exploration portal and ramp construction, with over 500 metres of development completed as of the date of the MD&A.
- With the highly successful exploration programs in 2017 that increased both the size and grade of the mineral resources at Los Filos, in late 2017 Leagold commenced an evaluation of the benefits of building a carbon-in-leach processing plant at Los Filos.
- For the year ended December 31, 2017, Leagold generated total revenue of $193.7 million and earnings from mine operations of $27.5 million.
- During Q4 2017, Leagold generated total revenue of $65.3 million and earnings from mine operations of $10.2 million.
- For the three months and year ended December 31, 2017, Leagold generated net earnings after tax of $1.8 million and net loss of $7.5 million respectively.
- At December 31, 2017, Leagold had cash and cash equivalents of $54.0 million.

[3] Non-IFRS measure, see Non-IFRS Financial Performance Measures for reconciliation. AISC includes mine cash costs, land access payments, royalties and sustaining capital expenditures.
[4] Gold production for Q2 2017 related to the period from Acquisition to June 30, 2017.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

LOS FILOS MINE

The current Los Filos mine operation consists of two open-pit mines, Los Filos and Bermejal, and an underground mine at Los Filos. During 2017, the Los Filos mine commenced development on its Bermejal Underground expansion project which has the potential to increase production, reduce AISC/oz, increase cash flow, and extend mine life. Gold is recovered from crushed and run-of-mine ore via a conventional, low-cost heap leach process. The Los Filos mine is located 230 km south of Mexico City and is accessible by paved roads and a private airstrip. Grid power is supplied by InterGen with a 20 MVA substation at site.

The Los Filos mine produced 191,195 gold ounces during the year ended December 31, 2017 and has a significant mineral resource base, as well as the valuable expansion project at Bermejal Underground.

BERMEJAL EXPANSION PROJECT

The Company continues to focus on the advancement of the Bermejal Underground as an expansion project. Following the Acquisition, the Company completed a 56,000 metre infill and step-out drilling program, completed a portal and decline trade-off analysis and commenced the development of an exploration portal and ramp. With the highly successful exploration programs in 2017 that increased both the size and grade of the mineral resources at Los Filos, in late 2017 Leagold commenced an evaluation of the benefits of building a carbon-in-leach processing plant.

Infill and Step-Out Exploration Drilling Program – To further refine the extent and continuity of the Bermejal Underground deposit, a 56,000 metre drilling program was completed in December 2017. Infill drilling throughout areas of previously identified mineralization and step-out drilling along the northern, eastern and western portions of the deposit were targeted to provide improved definition and additional resources. The update of the Bermejal Underground mineral resource estimate to the end of 2017 is provided in Table 1 and reflects the additional infill holes that were completed at the end of the drilling program. Mine design and engineering is ongoing using this mineral resource estimate.

Table 1: Mineral Resource for the Bermejal Underground Deposit (below current open pit mine design, Effective Date of December 31, 2017)

Class	Tonnes (kt)	Gold grade (g/t)	Gold ounces (koz)	Silver grade (g/t)	Silver ounces (koz)
Measured	429	7.50	103	27.27	376
Indicated	10,384	5.90	1,969	19.28	6,437
Measured & Indicated	10,812	5.96	2,073	19.60	6,812
Inferred	3,643	4.65	545	16.36	1,916

Notes:
1. Mineral resources are inclusive of mineral reserves and do not include dilution.
2. Metal price assumption for gold was US$1,400/oz.
3. Mineral resources are reported to a gold cut-off grade of 3.0 g/t Au.
4. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces.
5. Summation errors may be present due to rounding.
6. This is the Bermejal Underground Deposit that is entirely below the current Mineral Reserves open pit.

Portal and Decline Study – A trade-off study was performed to determine the optimal portal location and decline design to provide initial access to the deposit. Multiple portal locations were analyzed based on development costs, construction schedules and geotechnical parameters. The preferred portal location is at the base of the northern end of the existing Bermejal open pit, where surface mining has already been completed. This location provides the shortest decline access to the eastern flank of the deposit (650 linear metres of development) and to the main body of the deposit (1,325 linear metres of development). The design also provides timely access to the eastern flank to allow initial trial mining. Development of an exploration portal and ramp commenced in Q3 2017 and is ongoing. The ramp will provide access to the eastern and central portions of the deposit and will enable additional exploration, allow collection of material for confirmatory metallurgical testwork for heap leaching, demonstrate the minability of Bermejal Underground, and advance the project towards production.

ARRANGEMENT WITH BRIO GOLD INC.

On January 23, 2018, Leagold announced that it intended to make an offer to acquire all of the issued and outstanding shares of Brio on or before February 28, 2018.

Subsequently, on February 16, 2018, Leagold reached an agreement with Brio to proceed with the acquisition on a Brio Board supported basis by way of a statutory plan of arrangement ("Arrangement"). The acquisition of Brio will create an intermediate gold producer with four mines and a development project located in Mexico and Brazil that is expected to produce between 420,000 and 475,000 oz in 2018, based on market guidance provided by each of Leagold and Brio. The acquisition will also give Leagold a strong platform for further growth in Mexico and Brazil. Pursuant to the definitive arrangement agreement (the "Arrangement Agreement"), for each Brio common share issued and outstanding, Leagold will issue 0.922 of a Leagold share and 0.4 of a Leagold share purchase warrant (each whole warrant, a "Leagold Warrant"). Each Leagold Warrant will entitle the holder thereof to purchase one Leagold share at a price of C$3.70 for a period of two years following completion of the transaction. Both the Leagold and Brio Boards of Directors have unanimously approved the terms of the Arrangement Agreement.

Brio represents a rare opportunity for Leagold to acquire a portfolio of producing assets with a meaningful growth profile. The Company believes the combination with Brio delivers significant benefits, including:

- Diversification from a single asset, single country
- Strong platform for expansion in Brazil and Mexico
- Compelling opportunity to acquire producing assets with a strong growth profile
- Potential to more than double Leagold's production rate, based on combined 2018 guidance of approximately 450,000 ounces gold
- Increased scale supports a market valuation re-rating
- Cost savings through the reduction of Brio corporate costs
- Low completion risk with support in place from a majority of both companies' shareholders.

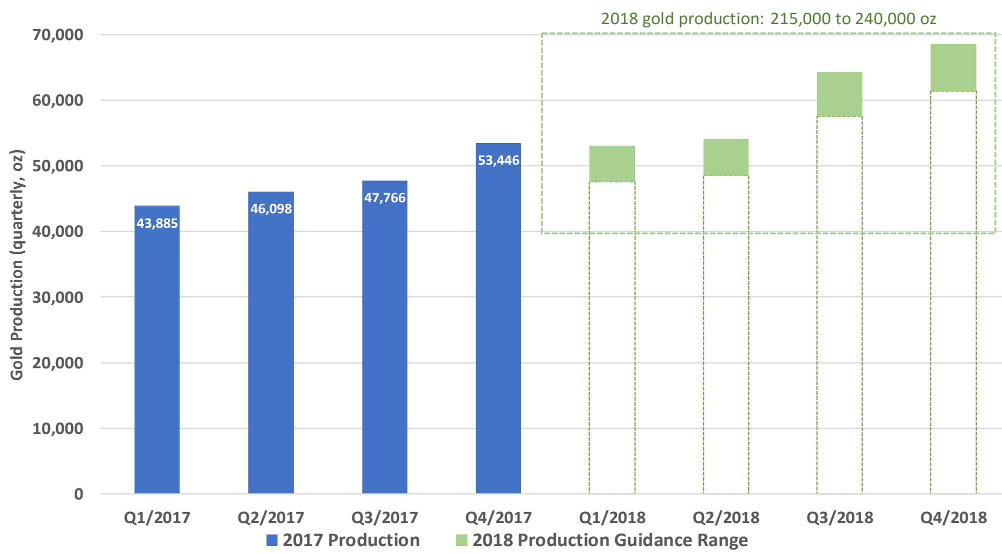
The Arrangement is structured as a plan of arrangement under the Business Corporations Act (Ontario) and, in addition to other customary conditions, is subject to regulatory and court approvals or orders. The Arrangement requires approval by (i) two thirds of the votes cast by Brio shareholders at a meeting of Brio shareholders which is scheduled to occur on April 12, 2018, and if required (ii) a simple majority of the votes cast by Brio shareholders excluding the votes held by certain persons as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Additionally, pursuant to the rules of the TSX, Leagold will require the approval of its shareholders holding a simple majority of Leagold shares to allow Leagold to issue Leagold shares and Leagold Warrants under the terms of the Arrangement. Subject to approval of the TSX, Leagold will seek shareholder approval by the way of obtaining a consent resolution from Leagold shareholders holding at least a simple majority of issued and outstanding Leagold shares. A copy of the Arrangement Agreement can be found under Leagold's profile on SEDAR at www.sedar.com.

OUTLOOK

The Company reported 2018 gold production guidance at Los Filos to be within the range of 215,000 to 240,000 ounces at an all-in sustaining cost of $875 to $925 per ounce representing growth of 12% to 25%

over the 191,195 oz produced in 2017. Following completion of the acquisition of Brio and review of its operating plans, Leagold will provide revised 2018 production and AISC/oz guidance.

Figure 2: 2018 Production Guidance Range, illustrated with an approximate quarterly profile



The current Los Filos 2018 outlook benefits from the operational improvements implemented since Acquisition and several optimizations planned for the year ahead. During Q2 2018, Los Filos expects to realize the benefits from the overland conveyor and agglomerator capital projects. In addition, the mine plan sequence is scheduling higher gold production during Q3 and Q4 2018, as illustrated in Figure 2. As a result of this production profile, we expect higher AISC/oz costs in H1 2018 and lower AISC/oz costs during H2 2018.

Gold production and AISC are expected to improve throughout 2018, in line with the steady improvements achieved in 2017:

- Current open pit mine plan sequence schedules higher grades and lower strip ratios during H2 2018, compared to H1 2018. In particular, the Bermejal open pit mining sequence anticipates more waste mining and lower grades during H1 2018, with improvements to both grade and strip ratio during H2 2018.
- Los Filos underground mining rates have been progressively improving and achieved 1,300 tonnes per day (tpd) in December 2017. The underground mining rate is anticipated to increase to an average of 1,500 tpd for 2018.
- The 2018 operating plan excludes run-of-mine ("ROM") from the processing schedule. This reduces the volume of leached material by approximately 50%, allowing the processing team to focus on optimizing recoveries of the higher-grade and higher-margin crushed material. The ROM material will be stockpiled and available for processing at a later stage in the mine life.
- Heap leach reprocessing is expected to incur higher expenditures during H1 2018 as the majority of the preparatory pressure injection work is performed, with significantly reduced spending planned for the second half of the year.
- Commissioning of the overland conveyor and agglomerator projects is expected during Q1 2018 leading to progressive improvements in heap leach processing and gold recovery through the remainder of 2018.
- Growth capital programs of $9 million are budgeted for current operations, including the remaining amounts to complete the overland conveyor and agglomerator.

- $13 million has been allocated to drilling and exploration programs at Los Filos Underground to improve short-term mine planning and add resources and reserves. These in-fill, step-out, and exploration programs include a total of 62,000 metres of drilling.

OPERATIONS REVIEW

The following table summarizes the data for the Los Filos mine from the Acquisition Date to December 31, 2017 (inclusive):

Mining Physicals:	**Unit**	**Acquisition Date to June 30, 2017**	**Three months ended September 30, 2017**	**Three months ended December 31, 2017**	**Acquisition Date to December 31, 2017**
Tonnes mined – open pit	000's	6,696	7,602	7,833	22,131
Tonnes of ore mined - open pit	000's	1,956	2,091	2,627	6,674
Average gold grade mined – open pit	g/t	0.57	0.67	0.76	0.68
Tonnes of ore mined - underground	000's	89	98	102	289
Average gold grade mined – underground	g/t	6.33	7.43	7.25	7.03
Tonnes of ore processed	000's	1,986	2,134	2,718	6,838
Recovery rate[1]	%	82%	76%	67%	74%
Gold ounces produced	oz	43,980	47,766	53,446	145,192
Gold ounces sold	oz	54,010	47,263	51,138	152,411
Unit Cost Analysis:					
Realized gold sales price	$/oz	1,244	1,282	1,275	1,266
Mining cost - open pit	$/t mined	1.45	1.39	1.31	1.38
Mining cost - underground	$/t ore	99.84	104.32	101.84	102.06
Processing costs	$/t placed	10.93	9.75	7.67	9.27
Site general and administration costs	$/t placed	2.12	1.74	1.85	1.89
Cash Cost Details:					
Gold revenue	**$000's**	**67,199**	**60,602**	**65,196**	**192,997**
Mining costs - open pit	$000's	9,681	10,583	10,225	30,489
Mining costs - underground	$000's	8,889	10,176	10,434	29,499
Processing costs	$000's	21,697	20,806	20,860	63,363
Site general and administration costs	$000's	4,212	3,715	5,024	12,951
Inventory and other adjustments	$000's	2,580	(4,864)	(6,705)	(8,989)
Total cash costs[2]	**$000's**	**47,059**	**40,416**	**39,838**	**127,313**
Land access payments	$000's	3,393	3,552	3,493	10,438
Royalties	$000's	307	364	324	995
Sustaining capital[2, 3]	$000's	2,680	2,621	2,877	8,178
AISC[2, 3]	**$000's**	**53,439**	**46,953**	**46,532**	**146,924**
AISC margin[2, 3]	**$000's**	**13,760**	**13,649**	**18,664**	**46,073**
Cash cost per gold ounce sold[2]	**$/oz**	**871**	**855**	**779**	**835**
AISC per gold ounce sold[2]	**$/oz**	**989**	**993**	**910**	**964**

[1] Based on total gold ounces produced in the period, including reprocessed ounces.

[2] Q3 2017 cash costs and AISC 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 Bermejal 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 Bermejal Underground expansion project. Q2 2017 cash costs and AISC 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, AISC and all-in sustaining margin are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to the section Non-IFRS Measures.

Q4 2017 Analysis

Total tonnes mined from the open pit increased by 231 thousand tonnes (“kt”), compared to the prior quarter with a higher average gold grade. The increased total tonnage mined contributed to lower unit costs of $1.31 per tonne mined compared to $1.39 in the prior quarter. The increased open pit mining productivity was attributable to improved utilization rate of the mining equipment.

Ore mined from the underground increased by 4 kt compared to the prior quarter. Unit costs decreased to $101.84 per ore tonne compared to $104.32 per ore tonne in the prior quarter, driven by increased tonnage mined whilst maintaining steady costs.

The Los Filos mine produced 53,446 ounces of gold for the three months ended December 31, 2017, compared to 47,766 ounces in the prior quarter. This was attributable to the increased ore processed from both the open pit and underground operations, as well as the benefits from heap leach process efficiencies implemented in the second and third quarters.

Gold sales were 51,138 ounces for the three months ended December 31, 2017, with associated revenues of $65.2 million at an AISC of $910 per ounce sold. This was the lowest quarterly AISC achieved since the Acquisition, driven by the new mine management team and a reflection of improvements implemented since the Acquisition. The benefits of operational and cost improvement programs implemented during the transition period will continue to be realized in 2018.

To improve the agglomeration quality of the crushed ore that is placed on the heap leach pads, Leagold is refurbishing and installing an agglomeration drum into the processing circuit. Gold recoveries from the heap leach pad should increase due to the improved agglomeration by increasing the percolation of the leachate solution through the ore. The agglomeration drum was removed from the processing circuit several years ago to de-bottleneck the processing circuit, but given the current and planned throughput, this is no longer a factor in the Los Filos operating plan. Civil works and installation of the drum are complete, and testing commenced in January 2018.

To reduce the cost of transportation and eliminate re-handling of crushed ore onto the Heap Leach Pad 2, a series of new overland conveyors are being installed to efficiently convey the ore onto the pad. These new conveyors will replace the mine trucks and shovels/excavators that are currently hauling ore to the pad. The manufacturing of these conveyors is on schedule and testing on the completed conveyors has commenced. Of the $5 million committed to extend the overland conveyors to Heap Leach Pad 2, $2.9 million was spent in H2 2017. The new overland conveyors are on schedule to be fully operational in Q1 2018.

The following table reconciles the AISC for the Los Filos mine to the quarterly change in cash balances.

$000's	Three months ended Mar. 31, 2017	Three months ended June 30, 2017	Three months ended Sept. 30, 2017	Three months ended Dec. 31, 2017	Year ended Dec. 31, 2017
Gold revenue	**-**	**67,199**	**60,602**	**65,196**	**192,997**
Total cash cost[2, 3]	-	(47,059)	(40,416)	(39,838)	(127,313)
Land access payments	-	(3,393)	(3,552)	(3,493)	(10,438)
Royalties[1]	-	(307)	(364)	(324)	(995)
Sustaining capex[3]	-	(2,680)	(2,621)	(2,877)	(8,178)
AISC[2, 3]	**-**	**(53,439)**	**(46,953)**	**(46,532)**	**(146,924)**
AISC margin[2, 3]	**-**	**13,760**	**13,649**	**18,664**	**46,073**
Less: Non-sustaining capex	-	(1,469)	(2,760)	(2,862)	(7,091)
Less: Bermejal Underground expansion[3]	-	(1,981)	(6,367)	(8,080)	(16,428)
AISC margin after investment capex	**-**	**10,310**	**4,522**	**7,722**	**22,554**
Operating working capital changes (excluding VAT)	-	(7,409)	(1,665)	(4,095)	(13,169)
Change in VAT receivable	-	(5,436)	(6,928)	2,869	(9,495)
Taxes paid[1]	-	(382)	(218)	(137)	(737)
Cash acquired through Acquisition[1]	-	20,547	-	-	20,547
Private placement proceeds, net of costs[1]	121,599	52,689	(908)	-	173,380
Loan facility proceeds, net of issue costs[1]	-	142,288	-	-	142,288
Transaction costs[1]	(2,968)	(4,544)	(124)	-	(7,636)
Non-recurring expenses[3]	-	(4,122)	(1,562)	-	(5,684)
Cash paid to Goldcorp for Acquisition[1]	-	(279,000)	-	-	(279,000)
Interest paid on Facility and promissory note[1]	-	(3,386)	(3,277)	(3,195)	(9,858)
Corporate and administration	(725)	(1,560)	(1,535)	(4,358)	(8,178)
Corporate working capital changes	5,185	(1,055)	13	2,732	6,875
Foreign exchange gain on cash and cash equivalents[1]	1,706	(1,915)	(135)	(32)	(376)
Other	121	(1,229)	(690)	(324)	(2,122)
Cash inflow/(outflow) for the period	**124,918**	**(84,204)**	**(12,507)**	**1,182**	**29,389**
Opening cash balance	**24,650**	**149,568**	**65,364**	**52,857**	**24,650**
Closing cash balance	**149,568**	**65,364**	**52,857**	**54,039**	**54,039**

[1] As presented on the consolidated statement of comprehensive loss and consolidated statement of cash flows.

[2] Cash costs, AISC and all-in sustaining margin are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to the section Non-IFRS Measures.

[3] Q3 2017 cash costs and AISC 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 Bermejal 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 Bermejal Underground expansion project. Q2 2017 cash costs and AISC 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.

Leagold ended 2017 with a strong cash balance of $54,039. The AISC margin of $18,664 in Q4 2017 was the highest for the year, primarily attributable to the low AISC cost in Q4 2017. Furthermore, the positive value added tax (“VAT”) change for the quarter represents the surplus of VAT refunded in the quarter over VAT outflows.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

SAFETY, HEALTH & ENVIRONMENT

Leagold places the safety and health of people as the highest priority and is committed to sustainable development. Leagold recognizes that the long-term sustainability of its business is dependent upon good stewardship in both the protection of the environment and the efficient management of the exploration, development, and extraction of mineral resources. Leagold is committed to the safety and security of its people with the goal to protect employees, assets, and Leagold's reputation. The Company has a Zero Harm policy which is applied at the Los Filos mine, and continuous efforts are made to reduce the lost time injury frequency rate ("LTIFR"). The following table shows the safety statistics from the Acquisition Date to December 31, 2017 (inclusive).

Incident Category	December 31, 2017
Fatality	-
Lost Time Injury (LTI)	16
Total Work Hours	3,527,122
LTIFR[1]	0.91

[1] Lost time injury frequency rate - Number of LTI's in the period x 200,000/ (Total Work Hours worked for the period)

LOS FILOS – ACQUISITION

On April 7, 2017 (the "Closing Date"), the Company completed the acquisition of the Los Filos Mine in Guerrero State, Mexico from Goldcorp for total consideration of $350,000 (the "Acquisition"). The Acquisition was completed through the purchase of Goldcorp's indirect subsidiaries: Desarrollos Mineros San Luis S.A. de C.V. ("DMSL"), Exploradora de Yacimientos Los Filos S.A. de C.V. ("Exploradora") and Minera Thesalia, S.A. de C.V. ("Minera") (collectively, "Los Filos"). The purchase price consisted of $279,000 in cash and $71,000 in common shares of the Company. At closing of the Acquisition, Leagold issued 34,635,091 common shares to Goldcorp, representing $71,000 at C$2.75 per share. As part of the agreement for the Acquisition, Goldcorp appointed a director to the Leagold Board of Directors.

Concurrent with the closing of the Acquisition, Leagold closed a financing with a fund managed by Orion Resource Partners ("Orion") consisting of a $150,000 senior secured 5-year loan facility (the "Facility"), and an equity investment private placement of $50,000. Effective October 31, 2017, Société Générale and Investec Bank plc joined the $150,000 Facility, with the new lenders participating for $25,000 each, and Orion retaining $100,000 of the Facility. All other terms of the Facility remain the same.

The Mexican anti-trust commission ("COFECE") had approved the completion of the Acquisition but required a second COFECE application with respect to $29,000 of Orion's $50,000 equity investment. To accommodate this, the $50,000 was split into a $21,000 private placement that was completed on the Closing Date whereby 10,244,182 common shares were issued to Orion at C$2.75 per share, and a $29,000 subscription receipt financing whereby 14,146,728 subscription receipts were issued to Orion at C$2.75 per subscription receipt, with each subscription receipt converting into one common share upon receipt of the second COFECE approval. To accommodate the cash funding postponement, Goldcorp agreed to defer $29,000 of the $279,000 cash portion of the Acquisition by accepting a short-term promissory note from Leagold. On July 12, 2017, the Company received the second COFECE approval with respect to the $29,000 subscription receipt financing provided by Orion and the $29,000 in subscription receipts were converted to 14,146,728 common shares and the $29,000 of proceeds were paid to Goldcorp in satisfaction of the promissory note. Interest of $595 was paid up to July 12, 2017 to Goldcorp relating to the promissory note.

The transaction costs related to the Acquisition incurred for the year ended December 31, 2017 totaled $7,636 and have been expensed in the consolidated statements of net loss and comprehensive loss. The Company capitalized $7,712 relating to transaction costs associated with the Facility for the year ended December 31, 2017. Leagold also agreed to distribute to Goldcorp the VAT receivable amount in DMSL outstanding as of the Closing Date of $99,757, as and when these amounts are received from the Mexican tax authorities. Subsequent to the Acquisition, the Company incurred expenses for the year ended December 31, 2017 of $2,274 relating to certain transitional services provided to the Company by Goldcorp.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

The following table shows the consideration and allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values at the date of acquisition:

		April 7, 2017
Cash	$	250,000
Common shares issued		71,000
Short term promissory note		29,000
Total Consideration	**$**	**350,000**

Cash	$	20,547
Mining interests and plant and equipment[1]		270,801
Deferred income and mining tax assets		75,844
Net working capital acquired (excluding cash)		24,169
Long-term inventories		3,801
Provision for reclamation		(42,428)
Other non-current payables		(2,734)
Total Consideration	**$**	**350,000**

[1] Upon finalization of the purchase price allocation, the fair value adjustments relate to the reclassification of net assets/(liabilities) acquired, with no adjustments to the total net assets. Mining interests decreased by $1,836 while plant and equipment increased by $1,836.

Since the Closing Date, the revenues and net income included in the consolidated financial statements are $193,694 and $31,201, respectively. Had the acquisition happened on January 1, 2017, the pro forma consolidated revenues and net losses of the Company for the year ended December 31, 2017 would have been approximately $244,438 and $1,350, respectively.

Orion Loan Facility

As part of the financing plan to complete the Acquisition, the Company arranged the Facility with Orion, which bears interest at a rate equal to the greater of 3-month USD Libor or 1.00%, plus 700 basis points, and will mature on April 6, 2022. Principal repayments commence with the first repayment due on March 31, 2019 and with equal quarterly installments thereafter, until fully repaid. The Facility includes a standard debt service cover ratio that ranges from 1.75 at all times up to and including December 31, 2018, and gradually declines to 1.25 by October 1, 2019 until maturity. Effective October 31, 2017, Société Générale and Investec Bank plc joined the $150,000 Facility, with the new lenders participating for $25,000 each, and Orion retaining $100,000 of the Facility. All other terms of the Facility remain the same.

Further details of the Acquisition can be found in the Final Prospectus ("Prospectus"), Technical Reports and other disclosure documents available on SEDAR at www.sedar.com.

FINANCIAL RESULTS FOR THE PERIOD

The following tables summarize the Company's financial and operational information for the last eight quarters and three fiscal years. The significant factors affecting results in the quarters and the year presented below is the acquisition of the Los Filos mine. The results for the year ended December 31, 2017 are not comparable to the prior years given the Company had no operations in the prior years.

Selected Annual Information

	For the periods ended		
(US dollars in thousands)	**December 31, 2017**	**December 31, 2016**	**September 30, 2015[1]**
Revenue	$ 193,694	$ -	$ -
Earnings from mine operations	27,511	-	-
Net earnings (loss)	(7,525)	(4,135)	(30)
Basic earning (loss) per share	(0.07)	(0.33)	(0.00)
Diluted earnings (loss) per share	(0.07)	(0.33)	(0.00)
Cash flow from operations	5,172	(1,164)	(17)
Total assets	521,100	24,832	5
Total non-current financial liabilities	148,388	50	48
Total shareholders' equity	$ 268,359	$ 24,149	$ 63

[1] During 2016, the Company changed its year end from September 30 to December 31, to provide for improved comparability with its gold sector peers. All monetary amounts are in United States dollars unless otherwise specified.

Summary of Quarterly Results

	For the three months ended:			
(US dollars in thousands except per share and ounce amounts)	**Dec 31, 2017**	**Sept 30, 2017**	**June 30, 2017**	**Mar 31, 2017**
Revenues	65,265	60,947	67,482	-
Gold ounces sold	51,138	47,263	54,010	-
Earnings from mine operations	10,193	8,859	8,459	-
Net earnings (loss)	1,773	317	(7,623)	(1,992)
Basic earning (loss) per share	0.01	0.00	(0.06)	(0.07)
Diluted earnings (loss) per share	0.01	0.00	(0.06)	(0.07)

	For the three months ended:			
(US dollars in thousands except per share and ounce amounts)	**Dec 31, 2016**	**Sept 30, 2016**	**June 30, 2016**	**Mar 31, 2016**
Revenues	-	-	-	-
Gold ounces sold	-	-	-	-
Earnings from mine operations	-	-	-	-
Net earnings (loss)	(3,538)	(715)	134	(6)
Basic earning (loss) per share	(0.02)	(0.05)	(0.02)	(0.00)
Diluted earnings (loss) per share	(0.02)	(0.05)	(0.02)	(0.00)

Three months and year ended December 31, 2017 and three months and period ended December 31, 2016

During the three months and year ended December 31, 2017, the Company recorded net earnings of $1,773 or $0.01 earnings per share and net loss of $7,525 and $0.07 loss per share, respectively. The results for the three months and year ended December 31, 2017 are not comparable to the same periods in the prior year given the Company had no operations in the prior year.

- Revenues for the three months and year ended December 31, 2017, were $65,265 and $193,694, respectively. This relates to the sale of 51,138 gold ounces for the three-month period and 152,411 gold ounces for the year ended December 31, 2017 from the Los Filos mine.

- Operating expenses for the three months and year ended December 31, 2017, were $47,059 and $148,330, respectively. For the three months ended December 31, 2017, operating expenses related to the Los Filos operations were comprised of consumables used in mining and processing ($31,472), contractors ($8,339) and salaries and wages and other production costs ($7,248). For the year ended December 31, 2017, operating expenses related to the Los Filos operations were comprised of consumables used in mining and processing ($88,611), contractors ($31,215), salaries and wages ($24,262) and other production costs ($4,242).

- Depreciation and depletion for the three months and year ended December 31, 2017, was $7,690 and $16,859, respectively, related to the depletion of mineral reserves and the depreciation of plant and equipment with useful lives ranging from 3 to 10 years. The upward trend from Q3 to Q4 reflects the increased production volumes.

- Share based payments for the three months and year ended December 31, 2017 were $225 and $10,181, respectively. (2016 - $nil). This primarily related to a Black-Scholes valuation of the 9 million share options granted to the officers, employees, and consultants on April 28, 2017 which vested immediately. In addition, the share-based payments include the deferred share units ("DSU's") issued to the Board of Directors of the Company and the change in their fair values to December 31, 2017.

- Transaction costs for the year ended December 31, 2017 were $7,636. These costs are related to the Acquisition, for which due diligence, legal, and advisory services were rendered.

- Finance and accretion expenses for the three months and year ended December 31, 2017 were $3,514 and $11,961, respectively. This was primarily related to the interest expense on the Facility with Orion, the promissory note that was held with Goldcorp, the fair value adjustment of the valuation of the warrants issued to Orion, and the accretion expense in relation to the Los Filos mine reclamation and closure obligations.

Liquidity and Capital Resources

The Company had a working capital balance of $95,634 as at December 31, 2017 (December 31, 2016 - $24,199), and an accumulated deficit of $11,730 (December 31, 2016 - $4,205). The Company currently has sufficient cash and cash equivalents to fund its current operating and administration costs.

As at December 31, 2017, the Company had cash and cash equivalents of $54,039 (December 31, 2016 - $24,650).

Net change in cash position at December 31, 2017 compared to September 30, 2017, was an increase of $1,182, attributable to the following components of the statement of cash flows:

- Leagold's operating inflow before working capital adjustments was $16,231 for the three months ended December 31, 2017 (three months ended December 31, 2016 – $274). Operating activities generated $14,988 for the three months ended December 31, 2017 resulting from an outflow of $1,243 in working capital movements.
- Investing activities show a cash outflow of $10,746, associated primarily with the development of the Bermejal Underground project, the refurbishment of the agglomerator and the overland conveyor installation project at Los Filos.
- Financing activities used $3,195, all relating to interest paid on the Facility (three months ended December 31, 2016 – inflow of $51).

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

Net change in cash position at December 31, 2017 compared to December 31, 2016, was an increase of $29,389, attributable to the following components of the statement of cash flows:

- Leagold's operating cash inflow before working capital adjustments was $29,579 for the year ended December 31, 2017 (period ended December 31, 2016 – outflow of $1,524). Operating activities generated $5,172 for the year ended December 31, 2017 (period ended December 31, 2016 – outflow of $1,164) resulting from an outflow of $24,407 in working capital movements, primarily due to an increase in VAT receivable (period ended December 31, 20116 – inflow of $360).
- Investing activities show a cash outflow of $281,647 for the year ended December 31, 2017, (period ended December 31, 2016 – outflow of $171) primarily associated with the acquisition of Los Filos, net of the cash acquired through the Acquisition. During the year ended December 31, 2017, the Los Filos mine has paid $23,736 for the development of mining interests, of which $16,435 is related to the Bermejal Expansion project.
- Financing activities generated $305,821, of which $173,380 was received through a private placement financing and $142,288 was generated by the Facility. The Company paid interest of $9,858 relating to these loan facilities (period ended December 31, 2016 – inflow of $26,119 relating to a private placement offering).

For additional information on capital resources, refer to Capital Management section below.

Contractual Obligations and Commitments

The following table summarizes the Company's significant undiscounted commitments as at December 31, 2017:

	Less than 1 Year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	$ 51,760	$ -	$ -	$ -	$ 51,760
Other long-term liabilities	-	-	-	4,455	4,455
Reclamation and closure costs	1,532	4,983	4,800	43,676	54,991
Loan facility – principal	-	92,308	57,692	-	150,000
Loan facility – interest	12,676	18,532	3,644	-	34,852
	$ 65,968	**$ 115,823**	**$ 66,136**	**$ 48,131**	**$ 296,058**

Gold Offtake Arrangement

As part of the Acquisition financing, the Company entered into an offtake agreement with Orion (the "Gold Offtake Agreement") which provides for a gold offtake of 50% of the gold production from the Los Filos mine at market prices, until a cumulative delivery of 1.1 million ounces to Orion. As of December 31, 2017, 73,227 payable gold ounces had been sold to Orion under the terms of the Gold Offtake Agreement.

Silver Streaming Arrangement

The Company's silver production from Los Filos mine is subject to the terms of an agreement (the "Silver Purchase Agreement") with Wheaton Precious Metals Corp. ("WPM"). During the year ended December 31, 2017, silver revenue equalled less than 0.5% of the Company's total revenue. Under this agreement the Company must sell a minimum of 5 million payable silver ounces produced by the Los Filos mine operations from August 5, 2010 to the earlier of the termination of the agreement or October 15, 2029 to WPM at the lesser of $3.90 per ounce (the "Fixed Price") or the prevailing market price, subject to an inflationary adjustment. The contract price is revised each year on the anniversary date of the contract, and will be $4.34 per ounce until October 14, 2018. As of December 31, 2017, 1.5 million payable silver ounces had been sold to WPM under the terms of the agreement.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

Outstanding Share Data

As at March 8, 2018, the date of this MD&A, the Company had the following outstanding equity components outstanding:

	Units
Common shares	151,496,959
Share options	11,600,000
Warrants	2,000,000
	165,096,959

Capital Management

The Company's objectives when managing capital are to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties, support any expansionary plants, maintain sufficient capital for potential investment opportunities and to pursue generative acquisition opportunities. Leagold intends to finance potential acquisitions with a prudent combination of equity, debt and other forms of finance.

In the management of capital, the Company includes the components of equity, and long-term debt, net of cash and cash equivalents.

Capital, as defined above, is summarized in the following table:

		December 31, 2017		**December 31, 2016**
Equity	$	268,359	$	24,149
Loan Facility		143,933		-
		412,292		24,149
Less:				
Cash and cash equivalents		(54,039)		(24,650)
	$	**358,253**	**$**	**(501)**

The Company manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The impact of inflation on the Company's financial position, operational performance, or cash flows over the next twelve months cannot be determined with any degree of certainty.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-IFRS measures in this document. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. As the Acquisition closed on April 7, 2017, these measures are not available or meaningful for periods prior to this date.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

All-in sustaining margin and adjusted EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use the all-in sustaining margin and adjusted earnings before interest, tax, depreciation, and amortization ("Adjusted EBITDA") to evaluate the Company's performance and ability to generate cash flows and service debt. Accordingly, these do not have a standard meaning and are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and amortization, adjusted to exclude specific items that are significant but not reflective of the underlying operating performance of the Company, such as: the impact of foreign exchange gains and losses, finance and accretion expense, share-based payments and other non-recurring items, such as, transaction costs and transition costs related to the Acquisition.

The following tables provide the illustration of the calculation of this margin and adjusted EBITDA, as adjusted and calculated by the Company for the period of April 8, 2017 to December 31, 2017 (inclusive) in which the Company owned the Los Filos mine:

	Acquisition Date to June 30, 2017	Three months ended September 30, 2017	Three months ended December 31, 2017	Acquisition Date to December 31, 2017
Gold revenues:	$ 67,199	$ 60,602	$ 65,196	$ 192,997
Less: Cash costs of ounces sold[2]	(47,059)	(40,416)	(39,838)	(127,313)
Subtotal	20,140	20,186	25,358	65,684
Less: Land access payments	(3,393)	(3,552)	(3,493)	(10,438)
Less: Royalties	(307)	(364)	(324)	(995)
Less: Sustaining capital[2]	(2,680)	(2,621)	(2,877)	(8,178)
All-in sustaining cost margin	**$ 13,760**	**$ 13,649**	**$ 18,664**	**$ 46,073**

	Acquisition Date to June 30, 2017	Three months ended September 30, 2017	Three months ended December 31, 2017	Acquisition Date to December 31, 2017
Earnings/(loss) before tax[1]	$ (12,450)	$ 1,833	$ 2,337	$ (8,280)
Add back: Share-based payments[1]	9,392	485	225	10,102
Add back: Transaction costs[1]	4,544	124	-	4,668
Add back: Non-recurring costs[2]	4,122	1,562	-	5,684
Add back: Depreciation and depletion[1]	3,321	5,848	7,690	16,859
Add back: Foreign exchange loss[1]	1,605	319	58	1,982
Add back: Finance and accretion costs[1]	3,686	4,820	3,514	12,020
Adjusted EBITDA	**$ 14,220**	**$ 14,991**	**$ 13,824**	**$ 43,035**

[1] As presented on the consolidated statement of comprehensive loss for the respective periods.

[2] Q3 2017 cash costs and AISC 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 Bermejal 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 Bermejal Underground expansion project. Q2 2017 cash costs has been adjusted for non-recurring and other adjustments is comprised of $2.1 million in non-recurring transition costs and $2 million in certain inventory adjustments through PPA valuation relating to the Acquisition.

Total Cash Costs

Total cash costs is a common financial performance measure in the gold mining industry however 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 as a result of different underlying principles and policies applied.

(US dollars in thousands except ounces amount)		**Acquisition Date to June 30, 2017**	**Three months ended Sept. 30, 2017**	**Three months ended Dec. 31, 2017**	**Acquisition Date to Dec. 31, 2017**
Total ounces of gold sold	**Oz**	54,010	47,263	51,138	152,411
Production costs from mine operations[1]	**$**	55,395	45,876	47,059	148,330
Less: Non-recurring and other adjustments[2]	**$**	(8,336)	(5,460)	(7,221)	(21,017)
Total cash costs[3]	**$**	**47,059**	**40,416**	**39,838**	**127,313**
Total cash costs per ounce of gold sold[1]	**$/oz**	**871**	**855**	**779**	**835**

[1] As presented on the consolidated statement of comprehensive loss for the respective periods.

[2] For the three months ended December 31, 2017, non-recurring and other adjustments is comprised of $3.5 million in land access payments and $3.7 million in inventory write-downs. For the three months ended September 30, 2017, non-recurring and other adjustments is comprised of $1.6 million in non-recurring transition costs and $3.6 million in land access payments. Acquisition Date to June 30, 2017, includes non-recurring and other adjustments is comprised of $2.1 million in non-recurring transition costs, $2 million in certain inventory adjustments through PPA valuation relating to the Acquisition and $4 million in land access payments.

[3] Q3 2017 cash costs and mine level AISC includes the impact of a $0.5 million reclassification of Q2 2017 operating costs to non-sustaining capital related to the Bermejal Underground expansion project.

All-In Sustaining Costs

The Company is reporting all-in sustaining costs per ounce sold. The methodology for calculating all-in sustaining costs per ounce was developed internally and is calculated below, and readers should be aware that this measure does not have a standardized meaning. This non-IFRS measure provides investors with transparency to the total period-attributable cash cost of producing an ounce of gold, and may aid in the comparison with other gold mining peers. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

(US dollars in thousands except ounces amount)		**Acquisition Date to June 30, 2017**	**Three months ended Sept. 30, 2017**	**Three months ended Dec. 31, 2017**	**Acquisition Date to Dec. 31, 2017**
Total ounces of gold sold	**Oz**	54,010	47,263	51,138	152,411
Total cash costs[1]	**$**	47,059	40,416	39,838	127,313
Land access payments	**$**	3,393	3,552	3,493	10,438
Royalties	**$**	307	364	324	995
Sustaining capital expenditures[1]	**$**	2,680	2,621	2,877	8,178
Total AISC[1]	**$**	**53,439**	**46,953**	**46,532**	**146,924**
Total AISC per ounce sold[1]	**$/oz**	**989**	**993**	**910**	**964**

[1] Q3 2017 cash costs and AISC 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 Bermejal Underground expansion project. In addition, sustaining capital includes the impact of a $0.3 million reclassification of Q2 2017 sustaining costs to non-sustaining capital, related to the Bermejal Underground expansion project. Q2 2017 cash costs and AISC have been adjusted for non-recurring and other adjustments is comprised of $2.1 million in non-recurring transition costs and $2 million in certain inventory adjustments through PPA valuation relating to the Acquisition.

Adjusted Net Earnings and Adjusted Net Earnings Per Share

Adjusted net earnings and adjusted net earnings per share (basic and diluted) are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings is defined as net income adjusted to exclude specific items that are significant but not reflective of the underlying operating performance of the Company, such as: the impact of foreign exchange gains and losses, foreign exchange gains and losses on deferred income and mining taxes, and other non-recurring items, such as, transaction costs, share-based payments, change in fair value of warrant derivatives and one-time fair value adjustments from the acquisition.

Adjusted net earnings per share amounts are calculated using the weighted average number of shares outstanding on a basic and diluted basis as determined under IFRS.

(US dollars in thousands except shares amount)		Acquisition Date to June 30, 2017	Three months ended Sept. 30, 2017	Three months ended Dec. 31, 2017	Acquisition Date to Dec. 31, 2017
Basic weighted average shares outstanding	Shares	**128,687,650**	**149,471,734**	**151,316,959**	**146,243,355**
Diluted weighted average shares outstanding	Shares	**129,367,650**	**150,217,863**	**152,329,738**	**146,778,304**
Net earning/(loss)[1]	$	**(7,623)**	**317**	**1,773**	**(5,533)**
Adjustments:					
Transaction costs[1]	$	4,544	124	-	4,668
Non-recurring costs[2]	$	4,122	1,562	-	5,684
Share based payments[1]	$	9,392	485	225	10,102
Foreign exchange loss[1]	$	1,605	319	58	1,982
Change in fair value of warrants derivative	$	(795)	872	(353)	(276)
Current income tax expense[1]	$	-	285	2,041	2,326
Deferred income tax (recovery)/expense[1]	$	(4,828)	1,231	(1,475)	(5,072)
Adjusted net earnings	**$**	**6,417**	**5,195**	**2,269**	**13,881**
Per share – Basic	**$/share**	**0.06**	**0.03**	**0.01**	**0.09**
Per share – Diluted	**$/share**	**0.06**	**0.03**	**0.01**	**0.09**

[1] As presented on the consolidated statement of comprehensive loss for the respective periods.

[2] Included in the three months ended September 30, 2017 is $1.6 million in non-recurring transition costs. Acquisition Date to June 30, 2017, includes $2 million in non-recurring transition costs and $2 million in certain inventory adjustments through PPA valuation relating to the Acquisition.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Determination of economic viability

Management has determined that exploratory drilling, evaluation, development, and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits, and life of mine plans.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each entity is the US dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgements, taking into account all facts and circumstances. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, the liabilities, including contingent consideration, incurred and payable by the Company to former owners of the acquiree and the equity interests issued by the Company at Acquisition Date.

Capitalization of waste stripping

Capitalization of waste stripping requires the Company to make judgments and estimates in determining the amounts to be capitalized. These judgments and estimates include and rely on the expected stripping ratio for each separate open pit, the determination of what defines separate pits, and the expected ounces to be extracted from each component of a pit, amongst others.

RECENT ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not early adopted the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

IFRS 9, Financial Instruments: IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value, and all financial liabilities classified and subsequently measured at amortized cost except for financial liabilities measured at fair value through profit or loss. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The mandatory effective date of IFRS 9 is annual periods beginning on or after January 1, 2018. The Company has assessed the impact of this standard and does not expect IFRS 9 to have a material impact on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers: IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. The Company has assessed the impact of this standard and does not expect IFRS 15 to have a material impact on the consolidated financial statements.

IFRS 16, Leases: IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact IFRS 16 will have on the consolidated financial statements.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Impairment of Mining Interests

The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets

In determining the recoverable amounts of the Company's mining interests, the Company's management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about gold's selling price, future capital expenditures, changes in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Reductions in gold price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mining interests. There were no indicators of impairment during the year ended December 31, 2017.

Estimated Recoverable Ounces

The carrying amounts of the Company's mining interests are depleted based on recoverable gold ounces. Changes to estimates of recoverable ounces and depletable costs including changes from revisions to the Company's mine plans and changes in gold price forecasts can results in a change to future depletion rates.

Mineral Reserves

Mineral reserves and mineral resources are determined in accordance with Canadian Securities Administrator's National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*. Mineral reserve and resource estimates include numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is dependent on the quantity and quality of available data and on the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Environmental Rehabilitation

The provisions for rehabilitation are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions and the related accretion expense using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss and future cash flows may be impacted.

Deferred Income Taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, available tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized and recognized income tax assets.

Share-based Payments

Numerous assumptions are made when accounting for share-based payments, including expected volatility, expected life, dividend yield and foreign exchange rate. Changes to these assumptions may alter the resulting accounting and ultimately the amount charged to profit or loss..

Contingencies

Due to the nature and complexity of the Company's operations, various legal and tax matters are ongoing at any given time and require estimation of amount and probability of outcome. In the event that the circumstances surrounding these matters change or the Company's outlook for the outcomes of these matters changes, the effects will be recognized in the consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables and other long-term liabilities and the Facility.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying values due to their short-term nature.

Other long-term liabilities, which consists of the warrant derivative, DSUs and other long-term employment benefits, are measured at their fair value at the end of each reporting period. The Facility is measured at amortized cost.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

At each of December 31, 2017 and December 31, 2016, the levels in the fair value hierarchy into which the Corporation's financial assets and liabilities measured and recognized in the statements of financial position at fair value are categorized are as follows:

	December 31, 2017		December 31, 2016	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Cash and cash equivalents	$ 54,039	$ -	$ 24,650	$ -
Trade and other receivables	-	(4,455)	-	(50)
	$ 54,039	**$ (4,455)**	**$ 24,650**	**$ (50)**

RISK FACTORS

Readers of this Management's Discussion and Analysis should give careful consideration to the information included or incorporated by reference in this document and the Company's audited consolidated financial statements and related notes for the year ended December 31, 2017. For further details of risk factors, please refer to the most recent Annual Information Form filed on SEDAR at http://www.sedar.com/, the 2017 year-end audited consolidated financial statements, and the below discussions.

Financial Risk

The Company is exposed to varying degrees of a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The Company's primary exposure to credit risk is on its cash and cash equivalents and trade and other receivables.

The Company closely monitors its financial assets and does not have any significant concentration of credit risk other than receivable balances owed from the Mexican government. During the year ended December 31, 2017, $9,077 of VAT refunds have been received relating to the Company's accumulated VAT receivable balance. Subsequent to December 31, 2017, an additional $2,406 of VAT refunds have been received relating to the Company's accumulated VAT balance. There is no indication that the Company will not receive any VAT receivables from the Mexican government. The Company sells its gold to large international organizations with strong credit ratings, but the historical level of customer defaults is minimal and, as a result, the credit risk associated with gold trade receivables at December 31, 2017 is considered to be negligible.

In determining the recoverability of a receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Excess cash deposits are restricted to guaranteed investment certificates of major banks or instruments of equivalent or better quality. No investments in asset-backed commercial paper is permitted.

The Company's maximum exposure to credit risk is as follows:

	December 31, 2017	**December 31, 2016**
Cash and cash equivalents	$ 54,039	$ 24,650
Trade and other receivables	29,517	47
	$ 83,556	**$ 24,697**

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Refer to the Contractual Obligations and Commitments section for details on the Company's significant undiscounted commitments at December 31, 2017. The Company believes it has sufficient cash resources to pay its obligations associated with its financial liabilities as at December 31, 2017.

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. There has been no change in the Company's objectives and policies for managing this risk during the year ended December 31, 2017.

The Company's reporting currency is the US dollar and major purchases are transacted in US dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the US dollar. A portion of the Company's exploration, development and operating costs and administrative costs are incurred mainly in Mexican pesos and Canadian dollars. The fluctuation of the Mexican peso and Canadian dollar in relation to the US dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholder's equity.

The table below highlights the net assets held in Canadian dollars and Mexican pesos (in US dollar equivalents):

		December 31, 2017		**December 31, 2016**
Canadian dollars	$	145	$	(210)
Mexican pesos		301		-
	$	**446**	**$**	**(210)**

The effect on earnings and other comprehensive earnings before tax as at December 31, 2017, of a 10% appreciation or depreciation in the foreign currencies against the US dollar on the above mentioned financial and non-financial assets and liabilities of the Company is estimated to be $41 (December 31, 2016 - $21), assuming that all other variables remained constant.

Commodity Price risk

Gold prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the political and economic conditions of major gold producing countries. The profitability of the Company is directly related to the market price of gold. A decline in the market prices for this precious metal could negatively impact the Company's future operations. The Company has not hedged any of its gold or silver sales.

Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents and the Facility. At December 31, 2017, the Company has determined the interest rate risk to be low and that a 10% increase or decrease in market interest rates would result in a $142 (December 31, 2016 - $nil) increase or decrease to the Company's earnings.

Operational Risks

Acquisition of the Los Filos mine

The Company will be subject to the risks of operating the Los Filos mine. See. “Risk Factors” as disclosed in the Prospectus filed on SEDAR at www.sedar.com

Funding

Although the Company has been successful in the past in obtaining financing though the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of the Company’s growth strategy.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company’s ability to acquire suitable properties or prospects in the future.

Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company’s shares will be subject to market trends generally and the value of the Company’s shares on the TSX may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company’s financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management’s services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Mineral Reserves and Resources

Mineral reserve and mineral resource estimates are imprecise and depend partially on statistical inference drawn from drilling and other data, which may prove to be unreliable. Estimates, which were valid when made, may change over the course of the mine life. Reserves should not be interpreted as assurances of mine life or of the profitability of current or future production. Furthermore, there can be no assurance that those portions of such mineral resource that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources that are not part of mineral reserves do not have demonstrated economic viability. Mineral reserves depleted by production must be frequently replaced to maintain production levels over the long term. There is no assurance that current or future exploration programs will result in any new commercial mining operations or yield new reserves to replace or expand current reserves

Outside Contractors risk

Certain aspects of mining operations such as drilling and blasting to be conducted by an outside contractor. The operations at the south underground of Los Filos are performed by a contractor, and as a result, the

Company is subject to a number of risks, including reduced control over the aspects of the operations that are the responsibility of the contractor, failure of a contractor to perform under its agreements with the companies, inability to replace the contractor if either party terminates the contract, interruption of operations in the event the contractor ceases operations due to insolvency or other events, failure of the contractor to comply with applicable legal and regulatory requirements and failure of the contractor to properly manage its workforce resulting in labor conflict or other employment issues.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or may be associated, with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the British Columbia Business Corporations Act ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director or officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

For further information on Risk Factors, refer to those set forth in the Company's Annual Information Form dated June 30, 2017, filed under the Company's profile on SEDAR at www.sedar.com.

Disclosure controls and procedures and internal controls over financial reporting

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the Company's disclosure controls and procedures, that as of December 31, 2017, the Company's disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing adequate internal control over financial reporting. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, that the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the year ended December 31, 2017, there have been no changes in the Company's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Additionally, Leagold Mining acquired the Los Filos mine on April 7, 2017. Therefore, the Company was unable to assess the Los Filos mine's disclosure controls and procedures and internal control over financial reporting in the period between the Acquisition Date and the date of management's internal control assessment, due to the timing of the acquisition. Accordingly, in accordance with National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings*, because the Los Filos mine was acquired not more than 365 days before the end of December 31, 2017, the Company has limited the scope of the Company's design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of the Los Filos mine.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

As Los Filos is the Company's only operation the financial information presented in this MD&A relates primarily to Los Filos.

RESERVES AND RESOURCES

As of December 31, 2017, Leagold's Proven and Probable mineral reserves ("P&P reserves") totaled 2.7 million ounces ("Moz") of gold (see Table 2), a 59% increase over the previous year. With estimated depletion from mining of 0.3 Moz during 2017, the estimated total addition to Proven and Probable reserves was 1.3 Moz during 2017.

The Los Filos Technical Report focuses on the current Los Filos operations and excludes the Bermejal Underground expansion project, which can only be reported as a mineral resource at this time until feasibility level studies are completed. A new site-wide technical report is expected in mid-2018 that will incorporate the Bermejal Underground expansion project within a site-wide production plan for Los Filos.

Table 2: Los Filos Mine Mineral Reserve Statement (Effective Date of December 31, 2017)

Classification	Tonnes (kt)	Gold Grade (g/t)	Gold Contained Ounces (koz)	Silver Grade (g/t)	Silver Contained Ounces (koz)
Proven	14,440	0.97	449	3.38	1,568
Probable	47,004	1.36	2,050	13.19	19,935
Subtotal Proven and Probable	**61,444**	**1.26**	**2,499**	**10.88**	**21,503**
Probable Leach Pad Inventory			216		
Total Proven and Probable			**2,715**		

Notes:
1. Mineral Reserves are based on Measured and Indicated Mineral Resources within pit designs and supported by a mine plan, featuring variable throughput rates (depending on the pit being mined), variable metallurgical recoveries (depending on geometallurgical domain), and cut-off optimization.
2. Metal price assumption for gold was US$1,200/oz.
3. Open Pit Mineral Reserves:
    a. Los Filos Open Pit includes the mineralization within the planned 4P pit extension. Bermejal Open Pit includes the mineralization within the planned Guadalupe pit extension.
    b. Los Filos Open Pit crush-leach ore is based on an operational 0.433 g/t Au cut-off grade; ROM ore is based on a variable 0.247 to 0.581 g/t Au operational cut-off grade that is determined by lithology. Los Filos Mineral Reserve is based on a 0.191 g/t Au cut-off grade. El Bermejal Open Pit crush-leach ore is based on an operational 0.395 g/t Au cut-off grade; ROM ore is based on a variable 0.257 to 0.368 g/t Au operational cut-off grade that is determined by lithology. Bermejal Open Pit Mineral Reserve is based on a 0.20 g/t Au cut-off grade.
    c. Process gold recoveries vary from 54% to 76% for crush-leach ore and from 30% to 64% for ROM ore at Los Filos Open Pit; recoveries at Bermejal Open Pit for crush-leach ore vary from 51% to 68 and from 42% to 58% for ROM ore. A 5% silver recovery is assumed from all geometallurgical domains.
4. Underground Mineral Reserves:
    a. Are contained within stope designs that have a minimum horizontal continuity of 10 m, and minimum mining width of 3.5 m, and supported by a mine plan that features variable stope thicknesses depending on zone; and cut-off optimization.
    b. Are reported based on a cut-off grade of 3.77 g/t Au for stopes within 100 m of planned ramp and 4.44 g/t Au for stopes requiring development.
    c. Dilution is assigned an average of 14% at a 0 grade for Au and Ag.
    d. Mining recovery is variable, based on stope width and can range from 75% to 100%.
    e. Process gold recoveries are estimated at 80% for Los Filos Underground ore. A 5% silver recovery is assumed from all zones.
5. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces.
6. Summation errors may be present due to rounding.

(Expressed in Thousands of United States Dollars, Except as Otherwise Stated)

As of December 31, 2017, Leagold's Measured and Indicated mineral resources totaled 11.5 Moz and Inferred mineral resources of 5.7 Moz. During 2017, mineral resources were added at both the Bermejal Underground and Guadalupe areas, however more restrictive mineral resource classification was applied which resulted in movement of some mineral resources to the Inferred category.

Table 3: Los Filos Mine Mineral Resource Statement (Effective Date of December 31, 2017)

Class	Tonnes (kt)	Gold grade (g/t)	Gold ounces (koz)	Silver grade (g/t)	Silver ounces (koz)
Measured	59,119	0.90	1,709	4.19	7,971
Indicated	321,482	0.94	9,751	10.23	105,714
Measured & Indicated	380,602	0.94	11,459	9.29	113,684
Inferred	240,469	0.74	5,739	10.23	79,056

Notes:
1. Mineral resources are inclusive of mineral reserves and do not include dilution.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources are reported to a gold price of US$1,400/oz and a silver price of US$4.26/oz.
4. Open Pit Mineral resources are defined within pit shells that use variable mining and recovery estimates depending on the geometallurgical domain and whether mineralization is projected to report to crush–leach or is considered typical run-of-mine for processing requirements.
5. Open Pit Mineral resources are reported to variable gold cut-off grades: Los Filos Open Pit 0.198 g/t Au, Bermejal Open Pit of 0.179 g/t Au.
6. Underground Mineral resources use a mining cost of US$84.78/t for Cut-and-Fill, process cost of US$6.75/t, and a process recovery of 80%.
7. Mineral resources are reported to a gold cut-off grade: Los Filos Underground of 3.39 g/t Au; Bermejal Underground of 3.0 g/t Au.
8. Tonnages are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places for Au, grades for Ag are rounded to two decimal places; rounding as required by reporting guidelines may result in apparent summation differences.
9. Includes both oxide and sulphide mineralization.

QUALIFIED PERSONS

The scientific disclosure and technical information included in this MD&A is based upon information included in the NI 43-101 compliant technical report entitled "Technical Report for the Los Filos Gold Mine, Guerrero State, Mexico" dated March 7, 2018 and having an effective date of December 31, 2017 (the "Los Filos Technical Report"). The Los Filos Technical Report was prepared for Leagold by Doug Reddy, P.Geo. (Leagold, SVP Technical Services), Rodolfo Balderrama, Member of SME (Administración Los Filos, S.A.P.I de C.V., a wholly-owned subsidiary of the Company, Mine Operations Manager), Paul Sterling, P.Eng. (Consultant to Leagold) and Dr. Gilles Arseneau, P.Geo. (Associate Consultant with SRK Consulting (Canada) Inc. and independent of the Company), each of whom is a Qualified Person as that term is defined in NI 43-101.

Mr. Reddy has reviewed and approved the scientific and technical information included in this MD&A and that is not derived from the Los Filos Technical Report.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute "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 Company's outlook, plans or future financial or operating performance, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of new deposits, anticipated production, expected AISC of a combined Brio-Leagold entity, potential for further growth and expansion beyond Brazil and Mexico, terms of the Acquisition, anticipated timing of closing the Acquisition, expectations with respect to the benefits of a combination of the businesses of Leagold and Brio. 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 the successful integration of acquisitions; risks related to international operations; risks related to having to obtain regulatory, shareholder and other approvals in connection with the Acquisition, risks related to successful integration of Brio if the Acquisition is consummated, 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 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.

Cautionary Note Regarding Brio Information

The information concerning Brio contained in this presentation has been taken from, or is based upon, publicly available information filed by Brio with securities regulatory authorities in Canada or otherwise available in the public domain as of the date hereof and none of this information has been independently verified by Leagold. Although Leagold does not have any knowledge that such information may not be accurate, there can be no assurance that such information from Brio is complete or accurate. Brio has not reviewed this presentation and has not confirmed the accuracy and completeness of the Brio information contained herein.

Other Information

Cash costs and AISC are non-GAAP financial performance measures with no standard meaning under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.