MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is prepared as of March 31, 2018 and is intended to assist readers in understanding the financial performance and financial condition of Brio Gold Inc. ("Brio Gold" or the "Company") as at and for the three months ended March 31, 2018, and should be read in conjunction with the Condensed Consolidated Interim Financial Statements and the accompanying notes of Brio Gold for the three months ended March 31, 2018.

Cautionary Statement Regarding Forward-Looking Information

This Management's Discussion and Analysis contains or incorporates by reference "forward-looking statements" and "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to information with respect to the Company's strategy, plans or future financial or operating performance, the outcome of the legal matters involving the damages assessments and any related enforcement proceedings. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the Company's expectations in connection with the production and exploration, development and expansion plans at the Company's projects discussed herein being met, the impact of proposed optimizations at the Company's projects, the impact of the proposed new mining law in Brazil, and the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating metal prices (such as gold and silver), currency exchange rates (such as the Brazilian real versus the United States dollar), the impact of inflation, possible variations in ore grade or recovery rates, changes in the Company's hedging program, changes in accounting policies, changes in mineral resources and mineral reserves, risks related to asset disposition, risks related to metal purchase agreements, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, unanticipated costs and expenses, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting timelines, government regulation and the risk of government expropriation or nationalization of mining operations, risks related to relying on local advisors and consultants in foreign jurisdictions, environmental risks, unanticipated reclamation expenses, risks relating to joint venture operations, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending and outstanding litigation and labour disputes, risks related to enforcing legal rights in foreign jurisdictions, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

Non-GAAP Financial Measures

This discussion makes references to "cash costs", "all-in sustaining costs" also referred to as "AISC", "Adjusted earnings or loss" and "Adjusted EBITDA" which are measures that do not have any standardized meaning as prescribed by IFRS. The term IFRS and generally accepted accounting principles ("GAAP") are used interchangeably throughout this MD&A. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the Company's underlying performance. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data 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. See “Non-GAAP financial measures” below for:

- cash costs consolidated and per mine, including on a per ounce basis, and all-in sustaining costs consolidated, including on a per ounce basis;
- quarterly trailing cash costs consolidated and per mine, including on a per ounce basis;
- Adjusted EBITDA; and
- Adjusted Earnings or Loss;

Overview

Brio Gold Inc. (TSX: BRIO) is a Canadian mining company with significant gold producing, development and exploration stage properties in Brazil. The Company intends to continue to optimize its operations to deliver reliable, consistent and sustainable performance over the life of its mining operations. The Company’s focus will be on the production of high margin gold ounces combined with a disciplined approach to cost containment and capital spending along with a commitment to value creation.

On February 16, 2018, the Company announced a plan of arrangement (the "Arrangement") with Leagold Mining Corporation ("Leagold"), whereby Leagold will acquire all of the issued and outstanding shares of Brio Gold pursuant to the arrangement agreement dated February 15, 2018. The Company held a special meeting of shareholders held on April 12, 2018, where the special resolution approving the Arrangement was approved by 99.99% of the votes cast. On April 17, 2018, the Company obtained a final order from the Ontario Superior Court of Justice approving the Arrangement. On closing of the Arrangement, Brio Gold shareholders will receive, for each Brio Gold common share held, 0.922 of a Leagold common share and 0.4 of a Leagold share purchase warrant, with each full share purchase warrant being exercisable to acquire one common share of Leagold at a price of CAD $3.70 for a period of two years from the closing of the Arrangement. Subject to the receipt of all approvals, the Arrangement is expected to be completed in May of 2018.

Quarterly Highlights

Operating Performance

		For the three months ended March 31,		
Consolidated Operating Statistics		**2018**	**2017**	**Change**
Gold production (oz.)		46,057	50,540	(9)%
Gold sales (oz.)		46,565	49,615	(6)%
Average realized gold price per ounce sold(1)	$	1,328	$ 1,211	10 %
Cost of sales including depletion, depreciation and amortization per gold ounce sold	$	1,198	$ 1,027	17 %
Cash cost per gold ounce produced(1)	$	991	$ 842	18 %
All-in sustaining costs per ounce of gold produced(1)	$	1,174	$ 1,056	11 %

Notes:

(1) A non-GAAP financial measure. See “*Management’s Discussion and Analysis - Non-GAAP Financial Measures*” for a reconciliation of cost of sales including depletion, depreciation and amortization to cash costs consolidated and on a per mine basis, and reconciliation of cost of sales including depletion, depreciation and amortization to all-in sustaining costs consolidated and on a per mine basis.

Gold production from the Company's three producing mines was 9% lower during the first quarter of 2018 compared to the same quarter of 2017, but in line with expectations. At Pilar, the first quarter was a transition quarter and production in the first quarter of 2018 was 7,561 ounces lower than the same period in 2017 as development at Maria Lazara was halted in late 2017 and production started in HG2 zone. The company continues to advance the development of the Tres Buracos open pit which is expected to add production flexibility so that that processing plant is consistently operating at its full rated capacity. The Maria Lazara mine currently has one year of developed reserves that will be mined out in 2018 and the satellite operation will then be put on care and maintenance. Gold production at the RDM mine for the first quarter in 2018 was 15% higher than the same period last year as a result of consistent processing and operations compared to the first quarter in 2017. The water storage facility accumulated sufficient water over the past 6 months to allow for consistent production for the foreseeable future. At Fazenda Brasileiro, gold production during the first quarter of 2018 was 5% higher than the same period in 2017.

Overall costs were higher during the first quarter of 2018 compared to the same period of 2017, but in line with guidance. Higher costs were primarily as a result of the higher costs at Pilar due to lower production causing increased costs per ounce as the fixed component of production costs was allocated over fewer ounces.

Financial Performance

Revenues from mining operations increased to $60.9 million in the first quarter of 2018 on the sale of 46,565 ounces of gold compared to $59.5 million on the sale of 49,615 ounces of gold for the comparable period in 2017. The increase in revenue in the first quarter of 2018 compared to 2017 was driven by a higher gold price as the Company's average realized gold price per ounce sold increased by 10%.

Net loss in the first quarter of 2018 was $8.7 million or $0.07 per share, compared to a net income of $3.4 million or $0.03 per share for the first quarter of 2017 mainly due to changes in income tax expense and costs incurred related to the Arrangement with Leagold.

The adjusted loss in the first quarter of 2018 was $4.6 million compared to the adjusted earnings of $3.5 million in the same period of 2017. The decline in adjusted earnings was consistent with the decline in IFRS net earnings from the first quarter of 2017 to the same period in 2018. The adjusted EBITDA in the first quarter of 2018 was $8.4 million compared to $14.0 million in the same period of 2017.

The Company's working capital, defined as the total of all current assets net of current liabilities, declined $36.4 million during the first quarter and was negative $26.8 million as at March 31, 2018, as $25 million of the Company's credit facility was reclassified from non-current to current during the first quarter as $25 million is schedule to mature on January 2019. In addition the company received a $5.4 million advance on metal sales that was used to manage working capital. The gold sales have been subsequently delivered and no additional advances have been received.

Financial Results

(In thousands of U.S. dollars, except share and per share amounts)	**For the three months ended March 31,**			
Income Statement Overview		**2018**		**2017**
Revenues from mining operations	$	60,947	$	59,499
Cost of sales excluding depletion, depreciation and amortization		(47,482)		(40,318)
Gross margin excluding depletion, depreciation and amortization		**13,465**		**19,181**
Depletion, depreciation and amortization		(8,304)		(10,654)
Mine operating earnings		**5,161**		**8,527**
Other expenses		(13,254)		(12,928)
Loss before income taxes		**(8,093)**		**(4,401)**
Income tax (expense)/recovery		(637)		7,847
Net (loss)/earnings		**(8,730)**		**3,446**
Change in fair value of hedging instruments, net of tax	$	1,639	$	14,997
Total comprehensive (loss)/income	**$**	**(7,091)**	**$**	**18,443**
Summary of Key Financial Statistics				
Net (loss)/earnings per share - basic and diluted	$	(0.07)	$	0.03
Adjusted (loss)/earnings(1)	$	(4,553)	$	3,534
Adjusted (loss)/earnings per share(1)	$	(0.07)	$	0.03
Adjusted EBITDA(1)	$	8,449	$	14,016
Cash flow from operating activities	$	12,953	$	(4,045)
Cash flow from operating activities before changes in working capital	$	9,635	$	15,486
Weighted average number of common shares - basic		117,556,100		112,527,429
Weighted average number of common shares - diluted		117,556,100		118,449,925

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of net earnings to Adjusted earnings and Adjusted EBITDA.

Balance Sheet Overview	As at March 31, 2018	As at December 31, 2017
Cash	$ 17,544	$ 19,281
Working capital	$ (26,751)	$ 9,675
Total assets	$ 615,260	$ 611,955
Total non-current liabilities	$ 101,884	$ 126,384
Total liabilities	$ 210,585	$ 200,501
Total equity	$ 404,675	$ 411,454

Operating Statistics

	For the three months ended March 31,		
	2018	**2017**	**Change**
Gold production (oz.)(1)			
Pilar	12,923	20,484	(37)%
Fazenda Brasileiro	15,640	14,872	5 %
RDM	17,494	15,184	15 %
Total gold production	**46,057**	**50,540**	**(9)%**
Gold sales (oz.)(1)			
Pilar	12,926	20,465	(37)%
Fazenda Brasileiro	16,054	13,849	16 %
RDM	17,585	15,301	15 %
Total gold sales	**46,565**	**49,615**	**(6)%**
Cost of sales including depletion, depreciation and amortization per gold oz sold			
Pilar	$ 1,459	$ 1,114	31 %
Fazenda Brasileiro	1,025	831	23 %
RDM	1,156	1,089	6 %
Cost of sales including depletion, depreciation and amortization per gold oz sold	**$ 1,198**	**$ 1,027**	**17 %**
Cash cost per gold ounce produced(1)			
Pilar	$ 1,133	$ 788	44 %
Fazenda Brasileiro	897	793	13 %
RDM	971	964	1 %
Total cash cost per gold ounce produced	**$ 991**	**$ 842**	**18 %**
All-in sustaining costs per ounce of gold produced(1)			
Pilar	$ 1,419	$ 1,000	42 %
Fazenda Brasileiro	984	1,039	(5)%
RDM	1,012	1,005	1 %
Total mine all-in sustaining costs per ounce of gold produced	**$ 1,117**	**$ 1,013**	**10 %**
Consolidated all-in sustaining costs per ounce of gold produced	**$ 1,174**	**$ 1,056**	**11 %**

Notes:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of cost of sales including depletion, depreciation and amortization to cash costs consolidated and on a per mine basis, and reconciliation of cost of sales including depletion, depreciation and amortization to all-in sustaining costs consolidated and on a per mine basis.

Pilar Mine

	For the three months ended March 31,		
Operating Statistics	**2018**	**2017**	**Change**
Gold production (oz.)	**12,923**	20,484	(37)%
Gold sales (oz.)	**12,926**	20,465	(37)%
Cost of sales including depletion, depreciation and amortization per gold ounce sold	**$ 1,459**	$ 1,114	31 %
Cash cost per gold ounce produced(1)	**$ 1,133**	$ 788	44 %
All-in sustaining costs per ounce of gold produced(1)	**$ 1,419**	$ 1,000	42 %
Ore mined (tonnes)	**249,474**	288,231	(13)%
Ore processed (tonnes)	**250,182**	288,640	(13)%
Gold feed grade (g/t)	**1.73**	2.29	(24)%
Gold recovery rate (%)	**92.8%**	96.2%	(3)%

Note:
(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of cost of sales including depletion, depreciation and amortization to cash costs consolidated and on a per mine basis, and reconciliation of cost of sales including depletion, depreciation and amortization to all-in sustaining costs consolidated and on a per mine basis.

Gold production and sales at the Pilar Mine was lower than the same period last year due to a combination of lower feed grades due to mine sequencing and lower total tonnes processed. Overall, it was a transition quarter as the development at Maria Lazara was halted and production started at the HG2 zone. The Company is now mining out the developed reserves at Maria Lazara and will be focusing production going forward on selectively mining the higher grade HG1 and bulk mining the HG2 zone at the main Pilar Mine, as well as the development of the Tres Buracos open pit. The Maria Lazara mine currently has one year of developed reserves that will be mined out in 2018 and the satellite operation will then be put on care and maintenance.

Overall costs for the first quarter of 2018 were higher than the comparative period of 2017 due to lower production causing increased costs per ounce as the fixed component of production costs was allocated over fewer ounces.

Fazenda Brasileiro Mine

	For the three months ended March 31,		
Operating Statistics	**2018**	**2017**	**Change**
Gold production (oz.)	**15,640**	14,872	5 %
Gold Sales (oz.)	**16,054**	13,849	16 %
Cost of sales including depletion, depreciation and amortization including per gold ounce sold	**$ 1,025**	$ 831	23 %
Cash cost per gold ounce produced(1)	**$ 897**	$ 793	13 %
All-in sustaining costs per ounce of gold produced(1)	**$ 984**	$ 1,039	(5)%
Ore mined (tonnes)	**302,755**	270,966	12 %
Ore processed (tonnes)	**312,913**	284,026	10 %
Gold feed grade (g/t)	**1.67**	1.88	(11)%
Gold recovery rate (%)	**93.0%**	90.4%	3 %

Note:
(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of cost of sales including depletion, depreciation and amortization to cash costs consolidated and on a per mine basis, and reconciliation of cost of sales including depletion, depreciation and amortization to all-in sustaining costs consolidated and on a per mine basis.

At Fazenda Brasileiro, first quarter production in 2018 was 15,640 ounces, 5% higher than the same period of 2017 due to a combination of higher tonnes processed and higher recovery rates, partially offset by lower gold feed grades.

During the first quarter, cash cost per gold ounce produced were higher than the same period in 2017. Grade, as discussed above, was the main contributor to higher costs on a per ounce basis, since a large portion of operating costs are fixed. All-in sustaining costs per ounce of gold produced decreased 5% compared to the same period in 2017 as a result of lower required mine development costs.

RDM Mine

Operating Statistics	For the three months ended March 31, 2018	2017	Change
Gold production (oz.)	**17,494**	15,184	15 %
Gold Sales (oz.)	**17,585**	15,301	15 %
Cost of sales including depletion, depreciation and amortization per gold ounce sold	**$ 1,156**	$ 1,089	6 %
Cash cost per gold ounce produced(1)	**$ 971**	$ 964	1 %
All-in sustaining costs per ounce of gold produced(1)	**$ 1,012**	$ 1,005	1 %
Ore mined (tonnes)	**477,009**	570,775	(16)%
Ore processed (tonnes)	**567,553**	468,019	21 %
Gold feed grade (g/t)	**1.13**	1.16	(3)%
Gold recovery rate (%)	**84.7%**	86.8%	(2)%

Notes:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of cost of sales including depletion, depreciation and amortization to cash costs consolidated and on a per mine basis, and reconciliation of cost of sales including depletion, depreciation and amortization to all-in sustaining costs consolidated and on a per mine basis.

During the first quarter of 2018, the RDM mine produced 15% more gold ounces compared to the same period due to higher tonnes of ore processed as the plant operated consistently when compared to unscheduled shutdowns which occurred in the first quarter in 2017. The water storage facility accumulated sufficient water over the past 6 months to allow for consistent production for the foreseeable future.

Overall costs in the first quarter of 2018 on a per gold ounce basis remained relatively unchanged when compared to the same in 2017.

Exploration

The 2018 exploration program is focused on enhancing and creating further value at existing operations, as well as testing near-mine opportunities. Brio Gold's first quarter mine exploration program included completing 12,701 metres of in-mine drilling in a total of 220 holes at both Fazenda Brasileiro and Pilar. In addition, 476 metres of near-mine drilling was completed in a hole to the south of the Pilar Mine, testing an encouraging structural target.

Development Update

Santa Luz Mine

During the first quarter, the Company completed the relining of the tailings pond as planned. Detailed construction engineering continued along with the village relocation construction which is approximately 85% complete. A total of $4.2 million was spent in the first quarter for the purchase of key items.

RDM Mine

Construction of the powerline continued in the first quarter of 2018. The power line will replace the current diesel power generators, which is expected to reduce costs, improve grind/recovery and expand mill throughput. The commissioning of the powerline will complete the last step for the plant expansion which will increase plant capacity to 9,000 tonnes per day from 7,000 tonnes per day.

Liquidity, Capital Resources, and Contractual Commitments

Liquidity

The Company continues to focus on containing costs to maximize available cash to fund planned growth, development activities, expenditures and commitments. Management is of the view that planned growth, development activities, expenditures and commitments will be largely funded by Leagold, working capital, and future operating cash flows.

Cash as at March 31, 2018 was $17.5 million compared to $19.3 million as at December 31, 2017.

Should various unexpected factors or events arise that reduce the ability of the Company to generate sufficient cash flow from operations in the short term to finance on-going operations and necessary sustaining capital expenditures, management is confident that the overall quality of the Company's operations and the quantity of the Company's Mineral Reserves and Mineral Resources will enable the Company to raise funds through debt financings, additional equity, quasi-equity, or other opportunities.

Current contractual commitments required to be paid within the next year are $144.6 million. See "*Contractual Commitments*".

Cash Flows

The Company's three operating mines provide a diverse source of cash flow, sufficient to maintain the Company's liquidity. Cash flow from operating activities after changes in working capital for the first quarter of 2018 was an inflow of $12.9 million, compared to an outflow of $4.0 million in the same period of 2017 primarily due to changes in working capital. Cash flow from operating activities before changes in working capital for the three months ended March 31, 2018 was an inflow of $9.6 million, compared to an inflow of $15.5 million in the same period of 2017 due transaction fees incurred relating to the plan of arrangement with Leagold.

Cash flow from financing activities during the three months ended March 31, 2018 were $2.2 million, primarily related to a net drawdown of $3.5 million on the Credit Facility with the Brazilian banks. The Company does not have any available credit remaining on any of the credit facilities.

Cash flow used in investing activities were outflows of $16.8 million for the three months ended March 31, 2018, compared to cash outflows of $18.8 million for the comparative period in 2017. The expenditures were incurred as follows:

	For the three months ended March 31,				
	2018				2017
(In thousands of U.S. dollars)	**Sustaining**	**Expansionary**	**Exploration**	**Total**	**Total**
Pilar	$ 3,421	$ 2,179	$ 261	**$ 5,861**	$ 6,543
Fazenda Brasileiro	1,094	1,445	126	**2,665**	2,976
RDM	532	3,378	23	**3,933**	7,666
Santa Luz	—	4,183	18	**4,201**	1,063
Other Brio Entities	154	—	—	**154**	563
Total	**$ 5,201**	**$ 11,185**	**$ 428**	**$ 16,814**	$ 18,811

Capital Resources

The Company continues to focus on containing costs to maximize available cash to fund current operations, planned growth, development activities, expenditures, and commitments. At the Santa Luz Mine, construction activities are on-going and are currently being funded by available cash. The Company's $75 million senior debt credit facility and the credit facilities with Brazilian banks have been fully drawn. On May 2, 2018, Leagold announced new debt and equity financings for the repayment of the Company's senior debt credit facility and the credit facilities with the Brazilian banks. Upon closing of the plan of arrangement with Leagold Mining Corporation ("Leagold"), the credit facility becomes payable immediately. As part of Leagold's financing announcement, Leagold announced an additional facility is to be put in place which would provide additional capital for the development of its growth projects.

Contractual Commitments

Day-to-day mining, sustaining and expansionary capital expenditures as well as administrative operations give rise to contracts requiring agreed upon future minimum payments. These commitments are largely related to power supply contracts, contract mining contractors and maintenance and service contractors retained to assist in the Company’s mining and processing operations.

As at March 31, 2018 **(In millions of U.S. dollars)**	**Within 1 year**	**Years 2 and 3**	**Years 4 and 5**	**After 5 years**	**Total**
Mine operating/construction and service contracts and other	$ 117.4	$ 117.6	$ 40.0	$ 0.7	$ 275.7
Debt repayment	25.0	50.0	—	—	75.0
Decommissioning, restoration and similar liabilities (undiscounted)	2.2	6.1	5.6	23.4	37.3
Total	**$ 144.6**	**$ 173.7**	**$ 45.6**	**$ 24.1**	**$ 388.0**

Off-Balance Sheet Arrangements

As of March 31, 2018, the Company does not have any material off-balance sheet arrangements.

Contingencies

Due to the size, complexity, and nature of the Company’s operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. The Company’s management is of the opinion that these matters will not have a material effect on the Company’s financial statements.

Critical Accounting Policies

The Company's Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34"). The significant accounting policies applied and recent accounting pronouncements are described in Note 3 and Note 5 to the Company's Consolidated Annual Financial Statements for the year ended December 31, 2017 and in Note 1 and Note 2 to the Company's Condensed Consolidated Interim Financial Statements.

In preparing the Consolidated Annual Financial Statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period end. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's Condensed Consolidated Interim Financial Statements. Actual future outcomes may differ from present estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the three months ended March 31, 2018 are the same as those disclosed in Note 4 to the Company's Annual Audited Consolidated Financial Statements for the year ended December 31, 2017.

Quantitative and Qualitative Disclosures about Market Risk

Currency Risk

The Company’s functional currency is the U.S. dollar and its gold sales are predominantly denominated in U.S. dollars, whereas a significant portion of the Company’s operating costs and capital expenditures and certain of the Company’s monetary assets are denominated in foreign currencies, predominately the Brazilian real. Consequently, the Company is exposed to currency fluctuations relative to the U.S. dollar. Potential currency fluctuations could have a significant impact on the Company’s business, financial condition and results of operations.

The Company's analysis shows that a 10% strengthening of the Brazilian real would result in a $0.8 million reduction in net earnings before tax for the three months ended March 31, 2018 and a $3.1 million reduction in the net earnings before tax for the same period in 2017.

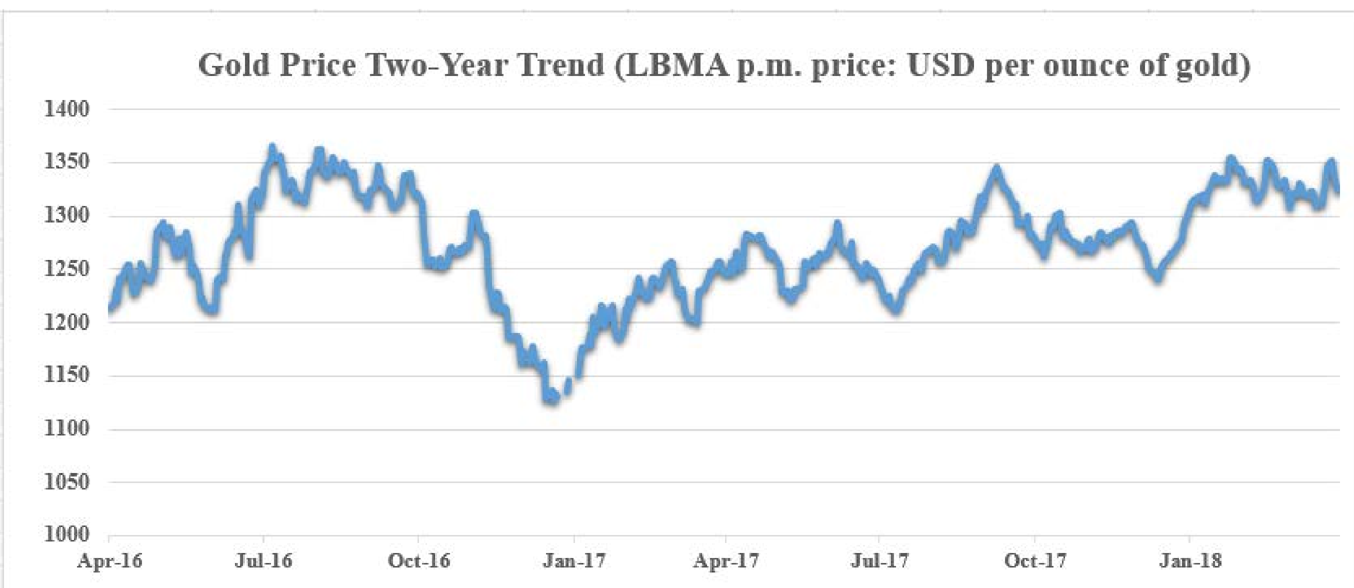
For the three months ended March 31,	2018	2017	Variance
Average exchange rate			
US$-C$	1.265	1.324	(4)%
US$-R$	3.244	3.145	3 %

Exchange rate as at March 31,	2018	2017	Variance
US$-C$	1.290	1.331	(3)%
US$-R$	3.324	3.168	5 %

As at March 31, 2018, the Company has hedged R$732 million and R$480 million for 2018 and 2019, respectively. These Brazilian Reais are hedged at an average fixed exchange rate of US$1 = R$3.51 and average put and call strike prices of US$1 = R$3.32 and US$1 = R$3.85. These hedges are expected to reduce risk in respect of the Company's Brazilian cost structure during 2018 and 2019. The net realized gains from these hedges for the three months ended March 31, 2018 and 2017 are $2.7 million and $4.4 million, respectively. The Company will remain exposed to currency fluctuations with respect to its foreign currency requirements that are unhedged. Should the U.S. dollar continue to strengthen against the Company's operating currencies, in particular the Brazilian real, the Company will benefit from lower operating costs, to the extent that its foreign exchange requirements are unhedged. Conversely, should the U.S. dollar weaken against the Company's operating currencies, the Company's operating costs in U.S. dollars will increase to the extent that its foreign exchange requirements are unhedged. The financial statement classification and impact of the hedging arrangement during the three months ended March 31, 2018 are disclosed in Note 7 of the Condensed Consolidated Interim Financial Statements.

Commodity Price Risk

Gold and silver 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 and silver-producing countries. The profitability of the Company is directly related to the market price of gold and silver. A decline in the market prices for these precious metals could negatively impact the Company's future operations. During the quarter, the company entered into gold price hedging arrangements in order to manage cash flow during the development phase of the Santa Luz mine. During the three months ended March 31, 2018, the Company entered into gold forward contracts at an average fixed price of $1,336 per ounce for 14 months (from February 2018 to March 2019) and total 39,000 ounces. The Company also entered into a zero-cost collar contract, where gold puts will be purchased and calls will be sold with average put and call strike prices of US $1,300 and $1,400 per ounce, respectively, for 2,000 ounces per month. These purchases and sales will be made for 12 months (from April 2018 to March 2019) and total 24,000 ounces.



For the quarter ended March 31, 2018, spot gold prices averaged $1,324 per ounce, or 6.3% higher, compared to $1,245 per ounce for the quarter ended March 31, 2017. Prices ranged between $1,308 and $1,355 per ounce and ended the first quarter of 2018 at $1,324 per ounce.

The following table illustrates the sensitivity of the Company's net earnings to changes in the average realized gold price for the periods indicated below:

	Gold ounces sold	Realized price per gold ounce sold[1]	Change	Effect on net earnings (US$ thousands)[2]	Average market price quarter-end
Three months ended March 31, 2018	46,565	$ 1,328	=+/-10%	$ 6,184	$ 1,324
Three months ended March 31, 2017	49,615	$ 1,211	=+/-10%	$ 6,008	$ 1,245

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of revenue from mining operations to realized price per gold ounce sold.

(2) Calculations are based on Condensed Consolidated Interim Financial Statements.

Selected 8-Quarter Trailing Information

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Revenues from operating mines	$ 60,947	$ 51,413	$ 54,126	$ 52,853
Mine operating earnings/(loss)	$ 5,161	$ 8,587	$ 5,154	$ 5,982
Net earnings/(loss)	$ (8,730)	$ (8,870)	$ (9,410)	$ (6,165)
Net earnings/(loss) per share (basic)	(0.07)	(0.07)	(0.08)	(0.05)
Net earnings/(loss) per share (diluted)	(0.07)	(0.07)	(0.08)	(0.05)
Weighted average number of shares outstanding (In thousands)				
Basic	117,556	122,585	112,527	112,527
Diluted	117,556	122,585	112,527	112,527
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,198	1,059	1,133	1,098
Cash cost per gold ounce produced [1]	991	806	876	859
Gold ounces produced during the period (oz.)	46,057	40,350	42,913	44,223
Gold ounces sold during the period (oz.)	46,565	40,455	43,228	42,691

Brio Gold Consolidated				
(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**
Revenues from operating mines	$ 59,499	$ 59,510	$ 60,559	$ 65,154
Impairment charges on mining properties	—	(110,876)	—	—
Mine operating earnings/(loss)	$ 8,527	$ (122,379)	$ 7,550	$ 10,889
Reversal of impairment/(impairment) of non-operating mining properties	—	96,217	—	—
Net earnings/(loss)	$ 3,446	$ (22,114)	$ (15,534)	$ 10,315
Net earnings/(loss) per share (basic)	0.03	(0.20)	(0.63)	0.44
Net earnings/(loss) per share (diluted)	0.03	(0.20)	(0.63)	0.41
Weighted average number of shares outstanding (In thousands)				
Basic	112,527	112,527	24,468	23,500
Diluted	118,450	112,527	24,468	25,000
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,027	1,421	1,132	1,037
Cash cost per gold ounce produced (1)	842	832	813	726
Gold ounces produced during the period (oz.)	50,540	50,477	48,838	52,737
Gold ounces sold during the period (oz.)	49,615	50,092	46,808	52,351

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of net loss to Adjusted earnings or loss.

Revisions to Previously Disclosed Selected 8-Quarter Trailing Information

In the fourth quarter of 2017, an error in the calculation of depletion and depreciation was detected and corrected for in the Audited Consolidated Financial Statements for the year ended December 31, 2017. The correction resulted in a restatement of quarterly financial results for 2017, including for the quarter ended March 31, 2017. Depletion, depreciation, and amortization expense was previously overstated, and therefore net earnings were understated. The impact on the previously reported results for the three months ended March 31, 2017; June 30, 2017; and September 30m 2017 are as follows:

Brio Gold Consolidated			
(In thousands of U.S. dollars, except per share)	**Q3 2017**	**Q2 2017**	**Q1 2017**
Impact on net (loss) earnings			
Net (loss)/earnings before revision	$ (10,003)	$ (7,385)	$ 2,417
Revision to depletion, depreciation and amortization	$ 1,137	$ 1,776	$ 2,712
Revision to income tax expense	(544)	(556)	(1,683)
Revision to net (loss)/earnings	$ 593	$ 1,220	$ 1,029
Revised net (loss)/earnings	$ (9,410)	$ (6,165)	$ 3,446

Non-GAAP Financial Measures

The Company has included certain non-GAAP financial measures including cash costs per ounce of gold produced, all-in sustaining costs per ounce of gold produced, adjusted earnings (loss), and adjusted EBITDA to supplement its consolidated financial statements, which are presented in accordance with IFRS.

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data 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.

Cash Costs

The Company uses the non-GAAP financial measure "cash costs" on a per ounce of gold produced basis because it believes this measure provides investors and analysts with useful information about the Company's underlying cash costs of operations and is a relevant metric used to understand the Company's operating profitability, and ability to generate cash flow. Cash costs figures are calculated based on the standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard remains the generally accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented herein may not be comparable to other similarly titled measures of other companies.

Cash costs include mine site operating costs such as mining, processing, administration, production taxes and royalties, which are not based on sales or taxable income calculations, but are exclusive of amortization, reclamation, capital, development, and exploration costs. Cash costs per ounce of gold produced are calculated on a weighted average basis.

The term "cash costs" has no standard meaning and therefore, the Company's definitions are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.

All-in Sustaining Costs

The Company uses the non-GAAP financial measure "all-in sustaining costs", also referred to as "AISC", on a per ounce of gold produced basis because it believes this measure provides investors with useful information about the Company's underlying cash costs of operations, after deducting certain non-discretionary items such as sustaining capital expenditures, exploration expenses and certain general and administrative costs and is a relevant metric used to understand the Company's ability to generate cash flow. All-in sustaining costs are based on cash costs, including cost components of mine sustaining capital expenditures and exploration and evaluation expense. All-in sustaining costs for a mine do not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, corporate general and administrative expenses, stock-based compensation, income tax payments, financing costs and dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, the calculation of all-in sustaining costs does not include depletion, depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. The term "all-in sustaining costs" has no standard meaning and therefore, the Company's definitions are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.*Reconciliation of cost of sales including depletion, depreciation and amortization to cash costs and all-in sustaining costs, consolidated and per mine*

(Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the three months ended March 31, 2018 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	55,786	18,865	16,457	20,322
Depletion, depreciation and amortization	(8,304)	(4,629)	(2,723)	(810)
Adjustments:				
Inventory movement and adjustments	(1,840)	406	295	(2,525)
Cash costs(1)	45,642	14,642	14,029	16,987
General and administrative expenses attributable to all-in sustaining costs	3,228	275	267	185
Sustaining capital expenditures	5,201	3,421	1,094	532
All-in sustaining costs(1)	54,071	18,338	15,390	17,704
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,198	1,459	1,025	1,156
Cash cost per gold ounce produced(1)	991	1,133	897	971
All-in sustaining costs per ounce produced(1)	1,174	1,419	984	1,012
Gold ounces produced during the period (oz.)	46,057	12,923	15,640	17,494
Gold ounces sold during the period (oz.)	46,565	12,926	16,054	17,585

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the three months ended March 31, 2017 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	50,972	22,803	11,502	16,667
Depletion, depreciation and amortization	(10,654)	(6,920)	(1,641)	(2,093)
Adjustments:				
Inventory movement and adjustments	2,237	258	1,932	63
Cash costs(1)	42,555	16,141	11,793	14,637
General and administrative expenses attributable to all-in sustaining costs	3,420	573	569	322
Sustaining capital expenditures	7,395	3,770	3,090	301
All-in sustaining costs(1)	53,370	20,484	15,452	15,260
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,027	1,114	831	1,089
Cash cost per gold ounce produced(1)	842	788	793	964
All-in sustaining costs per ounce produced(1)	1,056	1,000	1,039	1,005
Gold ounces produced during the period (oz.)	50,540	20,484	14,872	15,184
Gold ounces sold during the period (oz.)	49,615	20,465	13,849	15,301

Notes:

(1) A non-GAAP financial measure.

Quarterly trailing cost of sales including depletion, depreciation and amortization to cash costs consolidated and per mine

(Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1-18**	**Q4 -17**	**Q3-17**	**Q2-17**
Cost of sales including depletion, depreciation and amortization	55,786	42,826	48,972	46,871
Depletion, depreciation and amortization	(8,304)	(8,133)	(9,287)	(9,766)
Adjustments:				
Inventory movement and adjustments	(1,840)	(2,171)	(2,093)	883
Cash costs[(1)]	45,642	32,522	37,592	37,988
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,198	1,059	1,133	1,098
Cash cost per gold ounce produced[(1)]	991	806	876	859
Gold ounces produced during the period (oz.)	46,057	40,350	42,913	44,223
Gold ounces sold during the period (oz.)	46,565	40,455	43,228	42,691

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1-17**	**Q4-16**	**Q3-16**	**Q2-16**
Cost of sales including depletion, depreciation and amortization	50,972	71,169	53,009	54,265
Depletion, depreciation and amortization	(10,654)	(26,275)	(13,936)	(15,752)
Adjustments:				
Inventory movement and adjustments	2,237	(2,897)	(1,614)	(226)
Cash costs[(1)]	42,555	41,997	37,459	38,287
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,027	1,421	1,085	1,037
Cash cost per gold ounce produced[(1)]	842	832	813	726
Gold ounces produced during the period (oz.)	50,540	50,477	46,075	52,737
Gold ounces sold during the period (oz.)	49,615	50,092	48,837	52,351

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1-18**	**Q4-17**	**Q3-17**	**Q2-17**
Cost of sales including depletion, depreciation and amortization	18,865	20,957	22,915	23,276
Depletion, depreciation and amortization	(4,629)	(4,769)	(6,435)	(6,854)
Adjustments:				
Inventory movement and adjustments	406	(2,313)	(387)	436
Cash costs[(1)]	14,642	13,875	16,093	16,858
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,459	1,393	1,242	1,176
Cash cost per gold ounce produced[(1)]	1,133	983	845	831
Gold ounces produced during the period (oz.)	12,923	14,115	19,045	20,287
Gold ounces sold during the period (oz.)	12,926	15,041	18,444	19,793

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q1-17	Q4-16	Q3-16	Q2-16
Cost of sales including depletion, depreciation and amortization	22,804	36,843	23,787	22,554
Depletion, depreciation and amortization	(6,921)	(17,919)	(9,295)	(8,782)
Adjustments:				
Inventory movement and adjustments	258	408	1,515	1,713
Cash costs[1]	16,141	19,332	16,007	15,485
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,114	1,687	1,152	1,023
Cash cost per gold ounce produced[1]	788	872	791	679
Gold ounces produced during the period (oz.)	20,484	22,170	20,237	22,806
Gold ounces sold during the period (oz.)	20,465	21,837	20,656	22,047

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q1-18	Q4-17	Q3-17	Q2-17
Cost of sales including depletion, depreciation and amortization	16,457	15,981	17,596	12,990
Depletion, depreciation and amortization	(2,723)	(1,776)	(1,756)	(1,555)
Adjustments:				
Inventory movement and adjustments	295	(987)	(832)	1,135
Cash costs[1]	14,029	13,218	15,008	12,570
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,025	978	1,056	1,017
Cash cost per gold ounce produced[1]	897	821	943	892
Gold ounces produced during the period (oz.)	15,640	16,100	15,915	14,092
Gold ounces sold during the period (oz.)	16,054	16,345	16,658	12,776

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q1-17	Q4-16	Q3-16	Q2-16
Cost of sales including depletion, depreciation and amortization	11,502	20,530	17,072	17,784
Depletion, depreciation and amortization	(1,641)	(5,870)	(3,792)	(5,484)
Adjustments:				
Inventory movement and adjustments	1,932	(896)	(355)	(50)
Cash costs[1]	11,793	13,764	12,925	12,250
Cost of sales including depletion, depreciation and amortization per gold ounce sold	831	1,074	998	1,008
Cash cost per gold ounce produced[1]	793	753	751	726
Gold ounces produced during the period (oz.)	14,872	18,279	17,211	16,873
Gold ounces sold during the period (oz.)	13,849	19,110	17,100	17,650

RDM, Brazil

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1-18**	**Q4-17**	**Q3-17**	**Q2-17**
Cost of sales including depletion, depreciation and amortization	20,322	5,697	8,461	10,605
Depletion, depreciation and amortization	(810)	(1,397)	(1,096)	(1,357)
Adjustments:				
Inventory movement and adjustments	(2,525)	1,132	(883)	(694)
Cash costs(1)	16,987	5,432	6,482	8,554
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,156	628	1,041	1,048
Cash cost per gold ounce produced(1)	971	536	815	869
Gold ounces produced during the period (oz.)	17,494	10,135	7,953	9,844
Gold ounces sold during the period (oz.)	17,585	9,069	8,126	10,122

RDM, Brazil

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q1-17**	**Q4-16**	**Q3-16**	**Q2-16**
Cost of sales including depletion, depreciation and amortization	16,666	13,660	12,150	13,080
Depletion, depreciation and amortization	(2,093)	(2,477)	(849)	(1,217)
Adjustments:				
Inventory movement and adjustments	64	(2,278)	(2,794)	(1,325)
Cash costs(1)	14,637	8,905	8,507	10,538
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,089	1,494	1,096	1,034
Cash cost per gold ounce produced(1)	964	888	986	807
Gold ounces produced during the period (oz.)	15,184	10,028	8,628	13,058
Gold ounces sold during the period (oz.)	15,301	9,146	11,081	12,654

Notes:

(1) A non-GAAP financial measure.

Adjusted EBITDA

The Company uses the non-GAAP financial measure "Adjusted EBITDA" because it believes it provides investors with useful information to evaluate its performance and understand its ability to service and/or incur indebtedness.

The Company defines Adjusted EBITDA as net loss, before income tax recovery (expense), depletion, depreciation and amortization, impairment and reversals of mining properties, interest expense, share-based compensation, and non-recurring provisions and other adjustments.

The term "Adjusted EBITDA" has no standard meaning and therefore, the Company's definitions are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.

Reconciliation of Net (Loss)/Earnings to Adjusted EBITDA

(Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

(In thousands of U.S. dollars)	For the three months ended March 31, 2018	2017
Net (loss)/earnings	(8,730)	3,446
Adjustments:		
Income tax expense/(recovery)	637	(7,847)
Depletion, depreciation and amortization	8,304	10,654
Foreign exchange loss	776	1,257
Accretion	878	1,153
Bank, financing fees, and other	600	185
Interest expense on long-term debt	1,241	144
Provisions/(recoveries) on indirect tax credits	459	(3,031)
Stock based compensation	220	1,742
Unrealized (gain)/loss on foreign exchange hedges	(746)	5,300
Legal provisions	743	165
Business transaction costs	4,067	848
Adjusted EBITDA	**$ 8,449**	**$ 14,016**

Adjusted Earnings or Loss

The Company uses the non-GAAP financial measure “Adjusted earnings or loss” because it believes this measure provides useful information to investors to evaluate the Company’s performance by excluding certain cash and non-cash charges. The presentation of Adjusted earnings or loss is not meant to be a substitute for net earnings or loss or net earnings or loss per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Adjusted earnings or loss is calculated as net earnings excluding (a) stock based compensation, (b) unrealized foreign exchange (gains) losses related to revaluation of deferred income tax asset and liability on non-monetary items, (c) unrealized foreign exchange (gains) losses related to other items, (d) impairment losses and reversals, (e) deferred income tax expense (recovery) on the translation of foreign currency inter corporate debt, (f) periodic tax adjustments to historical deferred income tax balances relating to changes in enacted tax rates and (g) non-cash provisions and any other non-recurring adjustments. Non-recurring adjustments from unusual events or circumstances are reviewed from time to time based on materiality and the nature of the event or circumstance. Earnings adjustments for the comparative period reflect continuing operations.

The terms “Adjusted earnings or loss” has no standardized meaning prescribed by IFRS and therefore the Company’s definitions are unlikely to be comparable to similar measures presented by other companies.

For more information, see the Condensed Consolidated Interim Financial Statements and the related notes.

Reconciliation of Net (Loss)/Earnings to Adjusted (Loss)/Earnings

(Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

	For the three months ended March 31,	
(In thousands of U.S. dollars)	**2018**	**2017**
Net (loss)/earnings	$ (8,730)	$ 3,446
Adjustments:		
Foreign exchange loss	776	1,257
Unrealized (gain)/loss on foreign exchange hedges	(746)	5,300
Provisions/(recoveries) on indirect tax credits	459	(3,031)
Business transaction costs	4,067	848
Stock based compensation	220	1,742
Non-cash tax effect on unrealized foreign exchange losses	(1,101)	(9,337)
Tax impact of adjustments	(583)	1,418
Other	1,085	1,891
Adjusted (loss)/earnings	**$ (4,553)**	**$ 3,534**

Realized Price

The Company uses the non-GAAP financial measure "realized price" on a per ounce of gold sold basis because it believes this measure provides investors and analysts with a more accurate measure with which to compare to market gold prices and to assess the Company's gold sales performance. Management believes that this measure provides a more accurate reflection of past performance and is a better indicator of expected performance in future periods. Realized price excludes the impact of the mining royalty on revenue from mining operations. The term "realized price" has no standard meaning and therefore, the Company's definitions are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and is not necessarily indicative of revenue from mining operations, operating profit or cash flows presented under IFRS.

Reconciliation of Revenue from Mining Operations to Realized Price per Gold Ounce Sold

(Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

	For the three months ended March 31,	
(In thousands of U.S. dollars, except price per ounce in dollars and ounces sold)	**2018**	**2017**
Revenue from mining operations	$ 60,947	$ 59,499
Brazilian mining royalty (CFEM)	907	596
Revenue from mining operations excluding CFEM	61,854	60,095
Gold ounces sold during the period (oz.)	46,565	49,615
Realized price per gold ounce sold ($/oz.)	**$ 1,328**	**$ 1,211**

Disclosure Controls and Procedures

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 March 31, 2018, 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.

Internal Controls over Financial Reporting

The Company’s management, with the participation of its Chief Executive Officer and Chief Financial Officer, is responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Based on a review of the internal controls over financial reporting for the 3 months ended March 31, 2018 conducted by management of the Company, the Company’s internal controls and procedures are appropriately designed and operating effectively to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

Changes in Internal Controls over Financial Reporting

The Company’s management completed the process of instituting appropriate changes to address a control weakness identified during the fourth quarter of 2017 affecting the calculation of depletion, depreciation and amortization, which includes new review procedures designed at preventing similar errors in the future.

No additional changes in the Company’s internal controls over financial reporting occurred during the first quarter of 2018 that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

Limitations of Controls and Procedures

The Company’s management, including its Chief Executive Officer and Chief Financial Officer, believe that any internal controls and procedures for financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations of all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented and/or detected. These inherent limitations include the realities that judgments in decision‑making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost‑effective control system, misstatements due to error or fraud may occur and not be detected.

FURTHER INFORMATION

Additional information regarding the Company, including its annual information form, can be found on SEDAR at www.sedar.com and on the Company's website at www.briogoldinc.com.