

Brio Gold Exceeds 2016 Production Guidance And Provides 2017 Operational Outlook

TORONTO, ONTARIO, January 11, 2017 — BRIO GOLD INC. (TSX:BRIO) (“BRIO GOLD” or the “Company”) is pleased to announce the Company’s preliminary full year 2016 operating results and its 2017 production and cost guidance.

“We had a strong year in 2016, beating the top range of production guidance,” commented Gil Clausen, Brio Gold’s president and CEO. “All three of our mines met or exceeded our expectations, and demonstrated increased sustainable production. This year we expect to produce about 18% to 28% more gold with a full year of production at our RDM mine. In 2017, we will be advancing the re-commissioning of our Santa Luz mine for a planned re-start in the first half of 2018. Santa Luz brings considerable near term growth, driving our production to a run-rate of approximately 400,000 ounces of gold.”

2016 Preliminary Operating Results

Brio Gold produced 189,662 ounces of gold in 2016, exceeding 2016 guidance, and also is a 32% increase when compared to 2015 gold production. In 2016, total Cost of Sales (COS) were \$1,089 per ounce, cash costs were \$754 per ounce and All-in Sustaining Costs (AISC) were \$998 per ounce.

Operating Results for 2016

	2016 Actual	2016 Guidance
Production (oz)		
Fazenda Brasileiro	70,887	63-68,000
Pilar	87,061	85-90,000
Riacho dos Machados (RDM)	31,714	30,000
Total Production	189,662	178-188,000
Total COS per ounce (\$ per oz)	\$1,089	\$1,061
Cash Costs (\$ per oz)		
Fazenda Brasileiro	\$689	\$695
Pilar	\$742	\$725
Riacho dos Machados (RDM)	\$931	\$880
Consolidated Cash Costs	\$754	\$745
Consolidated AISC (\$ per oz)	\$998	\$980

BRL to USD exchange rate averaged 3.48 in 2016 compared to 3.75 used in 2016 cost guidance. The variance in cost results from guidance was largely driven by a stronger local currency. When adjusting guidance to reflect the actual BRL to USD exchange rate, Brio Gold consolidated COS, cash costs and AISC per ounce met cost guidance.

2017 Guidance

Brio Gold affirms total 2017 production guidance of 223,000 to 243,000 ounces of gold, representing an 18% to 28% increase compared to 2016. In 2017, total COS is expected to be \$995 to \$1,015 per ounce, cash costs are expected to be \$800 to \$820 per ounce and AISC is expected to be \$1,080 to \$1,100 per ounce.

The Company's 2017 guidance is provided below:

	2017E
Production (oz)	
Fazenda Brasileiro	65-70,000
Pilar	83-88,000
Riacho dos Machados (RDM)	75-85,000
Total Production	223-243,000
Total COS (\$ per oz)	\$995 - \$1,015
Cash Costs (\$ per oz)	
Fazenda Brasileiro	\$740-\$760
Pilar	\$740-\$760
Riacho dos Machados (RDM)	\$910-\$930
Total Cash Costs	\$800-\$820
Total Consolidated AISC (\$ per oz)	\$1,080-\$1,100

Cost guidance is based on a BRL to USD exchange rate of 3.50. The Company has put hedging arrangements in place for 2017 and 2018 covering R\$672 million of forward rate contracts at a rate of R\$3.55 to US\$1.00, and R\$672 million of zero-cost collars with average call and put strike prices of R\$3.30 and R\$3.90, respectively.

About Brio Gold

Brio Gold is a new Canadian mining company with significant gold producing, development and exploration stage properties in Brazil. Brio Gold's portfolio includes three operating mines and a gold project, which is a fully-permitted, fully-constructed mine that is currently on care and

maintenance and is expected to be re-started in 2018. Brio Gold produced 189,600 ounces of gold in 2016 and at full run-rate expects annual production to be approximately 400,000 ounces of gold.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). All statements, other than statements of historical fact, that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. This news release contains forward-looking statements about expected future events and financial and operating performance of the Company, including the Company's 2017 guidance on production, cost of sales, cash costs and all-in sustaining costs. 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. 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 may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. Such risks and uncertainties include, but are not limited to, those described in the "Risks Relating to the Company's Business and Operations" section of Brio Gold's Final Prospectus dated November 17, 2016, which is available on SEDAR (www.sedar.com). 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 plans and objectives and may not be appropriate for other purposes.