News Release

BRIO GOLD REPORTS FIRST QUARTER 2017 FINANCIAL RESULTS

TORONTO, ONTARIO, May 9, 2017 — BRIO GOLD INC. (TSX: BRIO) ("BRIO GOLD" or the "Company") is pleased to announce the Company's first quarter 2017 financial results. *All dollar figures are in U.S. dollars unless otherwise indicated.*

Q1 2017 Financial and Operating Highlights

- Production of 50,540 ounces of gold.
- Cash costs(1) of $842 per ounce of gold produced.
- All-in sustaining costs (AISC) (1) of $1,056 per gold ounce produced.
- Total cost of sales of $1,082 per gold ounce sold.
- Revenues of $59.5 million, a 26% increase from the first quarter of 2016, on the sale of 49,615 ounces of gold.
- Cash flow from operations before changes in working capital of $15.5 million.
- Mine operating earnings of $5.8 million.
- Net earnings of $2.4 million, or $0.02 per share.
- Adjusted EBITDA(1) of $13.0 million, or $0.11 per share.
- Increased mineral reserves at RDM by 37% when compared to year end 2016 estimates and developed an optimized mine plan demonstrating a longer mine life, increased production and lower costs.

(1) A non-GAAP financial measure. For a reconciliation of non-GAAP financial measures, please see the end of this press release.

Q1 2017 Financial Results

In thousands of U.S. Dollars	For the three months ended March 31, 2017	2016
Revenues from mining operations	$59,499	$47,133
Mine operating earnings	$5,815	$13,866
Net earnings	$2,417	$10,475
Adjusted EBITDA (1)	$13,002	$18,196
Cash flow from operating activities before changes in working capital	$15,486	$16,260

(1) A non-GAAP financial measure. For a reconciliation of non-GAAP measures, please see the end of this press release.

Revenues from mining operations were $59.5 million in the first quarter of 2017 on the sale of 49,615 ounces of gold compared to $47.1 million on the sale of 41,243 ounces of gold for the comparable period in 2016. The higher ounces sold was primarily a result of the acquisition of the RDM mine on April 29, 2016.

Mine operating earnings totaled $5.8 million for the first quarter of 2017 compared to $13.9 million for same period in 2016. Overall, the decrease is due to higher operating costs as a result of a strengthening Brazilian Real against the US Dollar and the addition of the higher cost RDM mine, as the Company works towards operating at full capacity.

Net earnings in the first quarter of 2017 was $2.4 million or $0.02 per share, compared to a net earnings of $10.4 million or $0.45 per share for the first quarter of 2016. The lower net earnings when compared to the prior year profit was due to lower mine operating earnings as discussed above in addition to higher finance expense from an unrealized loss on the foreign exchange hedges. The reductions achieved in other operating expenses were offset by the impact of foreign exchange.

Adjusted EBITDA in the first quarter of 2017 was $13.0 million compared to $18.2 million in the same period of 2016.

Cash flow from operating activities after changes in working capital for the first quarter of 2017 was an outflow of $4.0 million, primarily due to the company reducing its accounts payable balance during the quarter, compared to $8.8 million inflow in the first quarter of 2016. Cash flow from operating activities before changes in working capital was $15.5 million, compared to $16.3 million in 2016.

Q1 2017 Operational Results

	For the three months ended March 31,		
	2017	**2016**	**Change**
Gold production (oz) [1]	50,540	40,372	25%
Gold sales (oz)	49,615	41,243	20%
Cash cost per gold ounce produced [1,2]	$842	$590	43%
AISC per gold ounce produced [1,2]	$1,056	$784	35%
Total cost of sales per gold ounce sold	$1,082	$807	34%

Notes:

(1) The Q1 2016 comparative consolidated operating statistics only relate to the Fazenda Brasileiro Mine and Pilar Mine.
(2) A non-GAAP financial measure. For a reconciliation of non-GAAP measures see the end of this press release.

The Company produced 50,540 ounces for the first quarter of 2017, a 25% increase from the same period in 2016, mainly due to the contribution of 15,184 ounces of production from the RDM mine, which was acquired on April 29, 2016.

Total cash cost per ounce of gold produced was $842 and all-in sustaining cost per ounce of gold produced was $1,056. Total cost of sales per ounce of gold sold was $1,082 in the first quarter of 2017. Overall, the increase in per ounce costs in the first quarter of 2017 from the first quarter of 2016 was due to a strengthening of the Brazilian Real against the US dollar which accounted for approximately 42% of the total increase in all-in sustaining costs when comparing the first quarter of 2017 to 2016. The addition of the higher cost RDM mine also contributed to the overall increase in costs. Further, in the first quarter, The Company replaced the existing primary crusher at RDM for a larger capacity crusher as part of the expansion plan. The mine was down for ten days while this work was completed. Despite the increase from the comparable period in 2016, all-in sustaining costs are on track to achieve 2017 cost guidance of $995 - $1,015 per ounce.

Breakdown by Mine

Gold production (oz)	For the three months ended March 31, 2017	2016	Change
Pilar	20,484	21,848	(6%)
Fazenda Brasileiro	14,872	18,524	(20)%
RDM(1)	15,184	-	-
Total Production	**50,540**	**40,372**	**25%**
Cash Costs ($ per oz produced)			
Pilar	$788	$632	25%
Fazenda Brasileiro	$793	$536	48%
RDM(1)	$964	-	-
Total Cash Costs	**$842**	**$590**	**43%**
AISC ($ per oz produced)			
Pilar	$1,000	$744	34%
Fazenda Brasileiro	$1,039	$644	61%
RDM(1)	$1,005	-	-
Total Mine AISC ($ per oz produced)	$1,013	$698	45%
Total Consolidated AISC ($ per oz produced)	**$1,056**	**$784**	**35%**
Total Cost of Sales ($ per oz sold)			
Pilar	$1,024	$899	14%
Fazenda Brasileiro	$1,188	$719	65%
RDM(1)	$1,064	-	-
Total Cost of Sales per gold oz sold	**$1,082**	**$807**	**34%**

Notes:
(1) First quarter 2016 operating metrics only include Fazenda Brasileiro and Pilar as RDM was acquired on April 29, 2016.

Pilar

Production at the Pilar Mine in the first quarter of 2017 was 20,484 ounces of gold in line with plan, but 6% lower compared to 21,848 ounces in the same period of 2016. Production was negatively impacted by lower grades due to mine sequencing, which was partially offset by improvements to the recoveries as a result of improvements to the gravimetric circuits of the plant. The Company maintains its production guidance for 2017 of 83,000 to 88,000 ounces of gold.

Cash costs were $788 per ounce of gold produced in the first quarter of 2017 and all-in sustaining costs were $1,000 per ounce of gold produced. Total cost of sales was $1,024 per ounce of gold sold in the first quarter of 2017. 43% of the increase in all-in sustaining costs per ounce of gold from the first quarter of 2016 to the first quarter of 2017 was due to the strengthening of the Brazilian Real against the US dollar. The remaining increase was due to higher G&A expenses and higher sustaining capital expenditures from purchasing more mining equipment.

Fazenda Brasileiro

Production in the first quarter of 2017 was 14,872 ounces of gold, 20% lower compared to 18,524 ounces in the same period of 2016, due to lower grade partially offset by improved recovery. During the first quarter of 2017, the plant was shutdown for a total of three days for repair to the secondary crusher. Production at Fazenda Brasileiro for the year is back end weighted and is expected to increase quarter over quarter, the mine is on track to achieve annual guidance of 65,000 to 70,000 ounces.

Cash costs were $793 per ounce of gold produced in the first quarter of 2017 and all-in sustaining costs were $1,039 per ounce of gold. Total cost of sales was $1,188 per ounce of gold sold in the first quarter of 2017. The main contributor of higher costs on a per ounce basis in the first quarter of 2017 when compared to the first quarter of 2016 was grade, since a large portion of operating costs are fixed. In addition, costs increased due to the strengthening of the Brazilian Real against the US dollar which makes up approximately 24% of the total increase in all-in sustaining costs.

RDM

In the first quarter of 2017, production at the RDM mine was 15,184 ounces of gold. Production at the RDM was below plan, as the Company replaced the existing primary crusher for a larger capacity crusher as part of the RDM expansion plan. The mine was down for ten days while this work was completed.

Cash costs averaged $964 in the first quarter of 2017. All-in sustaining costs were $1,005 per ounce of gold produced and was in line with plan. Total cost of sales per ounce of gold was $1,064 in the first quarter of 2017.

Development Update

RDM

As a result of a 37% larger mineral reserve (when compared to the prior December 31, 2016 mineral reserve in contained gold ounces), the Company has optimized the mine plan to maximize the cash flow over the life of mine with increased average life of mine production and lower costs. (For further details please see the May 9, 2017 press release titled “Brio Gold Announces Significant Mineral Reserve Increase and New Mine Plan at its RDM Mine”.) The mine life has been extended by three years for a total of nine years and average annual production over the life of mine increased 3% when compared to the prior mine plan. A summary of the operating parameters based on the new mine plan is provided below.

Average annual full year production (2018 – 2024)	98 koz
Total ounces recovered (2017 – 2025)	805 koz
Mine life	9 years
Average gold recoveries	90%
Average mined grade	1.05
Average waste mined to ore milled ratio	5.9:1

Total unit operating costs decreased by 17%, cash costs decreased by 14% and AISC decreased by 7%, when compared to the prior mine plan. Average life of mine costs expectations are summarized below.

Cost estimates [1]	Life of Mine Average
Mine	$1.46 per tonne moved
Mine	$9.96 per tonne milled
Plant	$10.36 per tonne milled
Stockpile Rehandle	$0.07 per tonne milled
General & Administration	$2.45 per tonne milled
Total unit operating costs	$22.84 per tonne milled
Cash costs	$713 per ounce
AISC	$835 per ounce

Santa Luz

The Santa Luz mine is in the execution phase and the Company continues to advance the project toward its re-start, which is targeted for the first half of 2018. Engineering is near completion and the ordering of long lead items is currently underway. In the first quarter of 2017, Brio Gold completed a 4,200 metre drill program that focused on detailing and expanding a northwest trending zone of high-grade gold mineralization in the northeastern portion of the main C1 open pit orebody as well as infill drilling in both the C1 and Antas 3 orebodies. The positive drill results are expected to be incorporated into an updated mineral reserve and resource estimate in the second quarter of 2017.

Three-year Outlook

The Company's three-year operating outlook is provided below. Guidance reflects the updated mine plan for the RDM mine, with no change to guidance at the Fazenda Brasileiro, Pilar and Santa Luz mines.

Production (koz)	**2017E**	**2018E**	**2019E**
Fazenda Brasileiro	65-70	67-72	67-72
Pilar	83-88	88-93	100-105
RDM	50-65	90-95	95-100
Santa Luz	-	100-110	115-120
Consolidated Brio Gold	**198-223**	**345-370**	**377-397**

Cash Costs [1,2]	**2017E**	**2018E**	**2019E**
Fazenda Brasileiro	$740-$760	$740-$760	$740-$760
Pilar	$740-$760	$665-$685	$625-$645
RDM	$900-$920	$700-$720	$740-$760
Santa Luz	-	$525-$545	$755-$775
Consolidated Brio Gold	$785-$805	$650-$670	$715-$735
AISC [1,2]	**2017E**	**2018E**	**2019E**
Fazenda Brasileiro	$910-$930	$910-$930	$910-$930
Pilar	$940-$960	$960-$980	$875-$895
RDM	$930-$950	$780-800	$920-940

Santa Luz	-	\$530-\$550	\$760-\$780
Consolidated Brio Gold	**\$995-\$1,015**	**\$805-\$825**	**\$890-\$910**

Total COS (1,2) per ounce	**2017E**	**2018E**	**2019E**
Fazenda Brasileiro	\$980-\$1,000	\$1,010-\$1,030	\$1,045-\$1,065
Pilar	\$1,000-\$1,020	\$980-\$1,000	\$920-\$940
RDM	\$1,000-\$1,020	\$845-\$865	\$905-\$925
Santa Luz	-	\$835-\$855	\$1,070-\$1090
Consolidated Brio Gold	**\$995-\$1,015**	**\$910-\$930**	**\$985-\$1,005**

Notes:
(1) All guidance for values of costs per gold ounce sold or produced assume a Brazilian *Real* to U.S. Dollar exchange rate of 3.50.
(2) A non-GAAP financial measure. For a reconciliation of non-GAAP measures, please see the end of this press release.

AISC for 2017 includes certain non-recurring sustaining capital cost items at the Fazenda Brasileiro mine, the Pilar Mine and the RDM Mine. Non-recurring sustaining capital cost items include: 1) the replacement of mine equipment at the Fazenda Brasileiro Mine, which is expected to result in productivity and cost benefits going forward; and, 2) accelerated development at the Pilar Mine as well as the purchase of low profile equipment (fan drill and dozers) to improve the mining method and reduce dilution with the objective of improvements in grade and production. Pilar's AISC increases in 2018 as the Company begins development of the lower cost open pit Tres Buracos deposit, which is expected to contribute to production in 2019. Therefore, higher production with lower costs is expected.

The Company expects general and administrative (G&A) expenses in 2017 to be approximately \$65 per ounce, which reflects several one-time costs associated with the transition of Brio Gold becoming an independent public company. The one-time transition costs are expected to be incurred in the first half of 2017. Going forward, annual G&A costs are expected to be approximately \$30 per ounce.

In 2018 and 2019, following these non-recurring costs as well as with the re-start of Santa Luz, Brio Gold expects cash costs and AISC to significantly improve.

Three-year cost guidance for 2017-2019 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.

Conference Call and Webcast

A conference call and webcast to discuss Brio Gold's first quarter 2017 financial results will be held on May 10, 2017 at 10:00 am ET.

First Quarter 2017 Conference Call:
Toll Free (North America): 1-(844) 543-5236
International: 1-(703) 318-2218
Webcast: www.briogoldinc.com

Conference Call REPLAY:
Toll Free (North America): 1-(855) 859-2056
Toronto Local and International: 1-(404) 537-3406

Conference ID: 6866159

The conference call replay will be available from 1:00 p.m. ET on May 10, 2017 until 1:00 p.m. ET on May 17, 2017.

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 189,662 ounces of gold in 2016 and at full annual run-rate expects annual production to be approximately 400,000 ounces of gold.

FOR FURTHER INFORMATION PLEASE CONTACT:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This news release 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, final pricing for concentrate sales, 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

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 term IFRS and generally accepted accounting principles ("GAAP") are used interchangeably throughout this press release.

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 operating profitability, and ability to general 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, Brio Gold corporate general and administrative expenses, Yamana general and administrative expenses allocated to Brio Gold or 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 total cost of sales to cash costs and all-in-sustaining costs, consolidated and per mine (Based on Condensed Interim Consolidated Financial Statements unless otherwise noted)

(1) Inventory movement and adjustment represent the difference between the costs of production (which are based on ounces produced) and the cost of sales (which is based on ounces sold). The timing difference between the units sold and the costs of those units requires an adjustment to reflect the nature of the underlying metric.

	For the three months ended March 31, 2017			
(In thousands of U.S. dollars)	**Consolidated**	**Pilar Mine**	**Fazenda Brasileiro Mine**	**RDM Mine**
Total cost of sales	53,684	20,953	16,452	16,278
Depletion, depreciation and amortization	(13,366)	(5,070)	(6,591)	(1,705)
Adjustments:				
Inventory movement and adjustments(1)	2,254	258	1,932	64
Cash costs(2)	42,572	16,141	11,793	14,637
General and administrative expenses attributable to all-in sustaining costs	5,065	574	476	319
Stock based compensation	(1,742)	—	—	—
Sustaining capital expenditures	7,395	3,770	3,090	301
Exploration and evaluation expense	90	—	90	—
All-in-sustaining costs(2)	53,380	20,485	15,449	15,257
Total cost of sales per gold ounce sold	1,082	1,024	1,188	1,064
Cash cost per gold ounce produced(2)	842	788	793	964
All-in-sustaining costs per ounce produced(2)	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

(1) Inventory movement and adjustment represent the difference between the costs of production (which are based on ounces produced) and the cost of sales (which is based on ounces sold). The timing difference between the units sold and the costs of those units requires an adjustment to reflect the nature of the underlying metric.

(2) A non-GAAP financial measure.

(In thousands of U.S. dollars)	For the three months ended March 31, 2016 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Total cost of sales	33,267	19,128	14,139	—
Depletion, depreciation and amortization	(10,806)	(7,260)	(3,546)	—
Adjustments:				
Inventory movement and adjustments(1)	1,276	1,940	(664)	—
Cash costs(2)	23,737	13,808	9,929	—
General and administrative expenses attributable to all-in sustaining costs	5,252	20	29	—
Stock based compensation	(1,742)	—	—	—
Sustaining capital expenditures	4,397	2,425	1,972	—
Exploration and evaluation expense	21	2	—	—
All-in-sustaining costs(2)	31,665	16,255	11,930	—
				—
Total cost of sales per gold ounce sold	807	899	719	—
Cash cost per gold ounce produced(2)	590	632	536	—
All-in-sustaining costs per ounce produced(2)	784	744	644	—
Gold ounces produced during the period (oz.)	40,372	21,848	18,524	—
Gold ounces sold during the period (oz.)	41,243	21,586	19,657	—

(3) Inventory movement and adjustment represent the difference between the costs of production (which are based on ounces produced) and the cost of sales (which is based on ounces sold). The timing difference between the units sold and the costs of those units requires an adjustment to reflect the nature of the underlying metric.

(4) A non-GAAP financial measure.

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) share based payments, (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 Consolidated Financial Statements and the related notes.

Reconciliation of Net Earnings to Adjusted Earnings (Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

	For the quarter ended March 31,	
(In thousands of U.S. dollars)	**2017**	**2016**
Net earnings	$ 2,417	$ 10,475
Adjustments:		
Foreign exchange loss/(gain)	1,257	(602)
Unrealized gain on foreign exchange hedges	5,300	—
(Gain)/loss on indirect tax credits	(3,031)	2,773
Reorganization costs	848	2,210
Stock based compensation	1,742	1,742
Non-cash tax effect on unrealized foreign exchange gains	(9,337)	(13,793)
Tax impact of adjustments	1,418	(2,049)
Other	1,891	479
Adjusted earnings	**$ 2,505**	**$ 1,235**

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 earnings, 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 Earnings to Adjusted EBITDA (Based on Condensed Consolidated Interim Financial Statements unless otherwise noted)

	For the quarter ended March 31,	
(In thousands of U.S. dollars)	**2017**	**2016**
Net earnings	$ 2,417	$ 10,475
Adjustments:		
Income tax recoveries	(9,530)	(7,690)
Depletion, depreciation and amortization	13,366	10,806
Foreign exchange loss/(gain)	1,257	(602)
Bank, financing fees, interest expense and other	1,481	693
(Gain)/loss on indirect tax credits	(3,031)	2,773
Stock based compensation	1,742	1,742
Unrealized losses on foreign exchange hedges	5,300	—
Adjusted EBITDA	**$ 13,002**	**$ 18,197**

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS

	For the three months ended March 31,	
(In thousands of United States Dollars), (unaudited)	**2017**	**2016**
Revenue from mining operations	**$ 59,499**	$ 47,133
Cost of sales excluding depletion, depreciation and amortization	**(40,318)**	(22,461)
Gross margin excluding depletion, depreciation and amortization	**19,181**	24,672
Depletion, depreciation and amortization	**(13,366)**	(10,806)
Mine operating earnings	**5,815**	13,866
Expenses		
General and administrative	**(5,065)**	(5,252)
Other operating income/(expense)	**176**	(5,738)
Operating earnings	**926**	2,876
Foreign exchange (loss)/gain	**(1,257)**	602
Finance expense	**(6,782)**	(693)
(Loss)/earnings before income taxes	**(7,113)**	2,785
Income tax recoveries	**9,530**	7,690
Net earnings	**2,417**	10,475
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of hedging instruments, net of tax	14,997	—
Total comprehensive income	**$ 17,414**	$ 10,475
Net (loss)/earnings per share		
Net earnings per share (basic)	**$ 0.02**	$ 0.45
Net earnings per share (diluted)	**$ 0.02**	$ 0.42
Weighted average number of shares outstanding		
Basic	**112,527,429**	23,500,000
Diluted	**118,449,925**	25,000,000

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

		For the three months ended March 31,		
(In thousands of United States Dollars), (unaudited)		**2017**		**2016**
Operating activities				
(Loss)/Earnings before income tax expense	**$**	**(7,113)**	$	2,785
Adjustments to reconcile loss before income taxes to operating cash flows:				
Depletion, depreciation and amortization		**13,366**		10,806
Unrealized foreign exchange loss/(gain)		**1,257**		(602)
Finance expense		**6,782**		693
Other non-cash operating (gains)/expenses		**(2,739)**		4,371
Forward metal sales		**4,425**		—
Decommissioning, restoration and similar liabilities paid		**(404)**		(85)
Income taxes paid		**(88)**		(1,708)
Cash flows from operating activities before net change in working capital	**$**	**15,486**	$	16,260
Net change in working capital		**(19,531)**		(7,509)
Cash flows from operating activities	**$**	**(4,045)**	$	8,751
Investing activities				
Property, plant and equipment expenditures		**(18,811)**		(8,707)
Acquisition of Mineração Riacho dos Machados Ltda		**—**		(47,393)
Cash flows used in investing activities	**$**	**(18,811)**	$	(56,100)
Financing activities				
Proceeds from long-term debt	**$**	**35,000**	$	—
Related party financing		**—**		47,729
Interest and other finance expenses paid		**(2,075)**		—
Cash flows from financing activities	**$**	**32,925**	$	47,729
Effect of foreign exchange on cash		**(475)**		377
Increase in cash	**$**	**9,594**	$	757
Cash beginning of period	**$**	**7,014**	$	3,966
Cash end of period	**$**	**16,608**	$	4,723

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of United States Dollars)		As at March 31, 2017 *(unaudited)*		As at December 31, 2016
Assets				
Current assets:				
Cash	**$**	**16,608**	$	7,014
Trade and other receivables		**1,658**		154
Inventories *(Note 5)*		**36,342**		29,620
Derivative related assets *(Note 7)*		**14,204**		1,328
Income taxes recoverable		**1,523**		—
Other current assets *(Note 6)*		**18,222**		12,777
		88,557		50,893
Non-current assets:				
Property, plant and equipment *(Note 8)*		**485,847**		481,746
Deferred tax assets		**15,079**		6,167
Non-current derivative related assets *(Note 7)*		**2,449**		—
Other non-current asset *(Note 6)*		**4,217**		2,893
Total assets	**$**	**596,149**	$	541,699
Liabilities				
Current liabilities:				
Trade and other payables *(Note 9)*	**$**	**46,183**	$	56,066
Income taxes payable		**4,891**		2,998
Other financial liabilities		**1,935**		1,414
Other provisions and liabilities *(Note 10)*		**8,433**		5,243
		61,442		65,721
Non-current liabilities:				
Long-term debt *(Note 11)*		**33,068**		—
Decommissioning, restoration and similar liabilities		**38,586**		36,871
Deferred income tax liabilities		**15,119**		11,413
Other non-current provisions and liabilities *(Note 10)*		**5,986**		4,902
Total liabilities		**154,201**		118,907
Equity				
Share capital		**427,858**		427,858
Reserve		**87,414**		70,675
Deficit		**(73,324)**		(75,741)
Total equity		**441,948**		422,792
Total equity and liabilities	**$**	**596,149**	$	541,699