BrioGold

News Release

BRIO GOLD REPORTS THIRD QUARTER 2017 FINANCIAL RESULTS

TORONTO, ONTARIO, October 31, 2017 — BRIO GOLD INC. (TSX: BRIO) ("BRIO GOLD" or the "Company") announces its third quarter 2017 financial and operating results. *All dollar figures are in U.S. dollars unless otherwise indicated. R$ = Brazilian Reais where noted.*

Q3 2017 Financial and Operating Highlights

- Production of 42,913 ounces of gold.
- Total cost of sales of $1,160 per gold ounce sold.
- Cash costs(1) of $876 per ounce of gold produced.
- All-in sustaining costs (AISC) (1) of $1,228 per gold ounce produced.
- Revenues of $54.1 million on the sale of 43,228 ounces of gold.
- Mine operating earnings of $4.0 million.
- Net loss of $10.0 million, or $0.09 per share.
- Adjusted net loss(1) of $6.8 million, or $0.07 per share.
- Adjusted EBITDA(1) of $9.7 million, or $0.08 per share
- Cash flow from operating activities of $6.6 million, and $10.9 million before changes in working capital.
- Secured $22 million in credit facilities with three major Brazilian banks
- Implemented forward contract currency hedges for 2019 at an average fixed rate of R$3.40 to US$1.00 for R$120 million and at R$3.50 to US$1.00 for $120 million.
- Hedged 30,000 ounces of gold over 15 months with zero cost collars with a put and call strike prices of $1,300 and $1,340 per ounce of gold, respectively.

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

Q3 2017 Summary Financial Results

In thousands of U.S. Dollars	For the three months ended September 30, 2017	For the three months ended September 30, 2016	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
Revenues from mining operations	$54,126	$60,559	$166,478	$172,846
Mine operating earnings	$3,999	$7,550	$14,022	$32,304
Net (loss)/earnings	$(10,003)	$(15,534)	$(14,987)	$5,255
Adjusted (loss)/earnings(1)	$(6,752)	$(6,686)	$(7,819)	$(3,137)
Adjusted EBITDA(1)	$9,653	$13,032	$29,068	$45,301
Cash flow from operating activity	$6,570	$13,998	$326	$38,860
Cash flow from operating activities before changes in working capital	$10,902	$15,506	$30,616	$50,446

(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 $54.1 million in the third quarter of 2017 compared to $60.6 million for the comparable period in 2016 due to lower ounces sold.

Net loss in the third quarter of 2017 was $10.0 million or $0.09 per share, compared to a net loss of $15.5 million or $0.63 per share for the third quarter of 2016. The Company sold VAT tax credits in the quarter that resulted in a gain of $4.4 million, which is excluded from the calculation of adjusted earnings.

The adjusted loss in the third quarter of 2017 was $6.8 million compared to $6.7 million in the same period of 2016 as lower revenue was partially offset by lower depreciation expense.

The adjusted EBITDA in the third quarter of 2017 was $9.7 million compared to $13.0 million in the same period of 2016 due to the lower ounces sold, and higher costs of sales per ounce.

Cash flow from operating activities after changes in working capital for the third quarter of 2017 was an inflow of $6.6 million, compared to an inflow of $14.0 million in the same period of 2016 due to lower ounces sold, and a decline in working capital due to timing of gold shipments that is expected to reverse in the fourth quarter of 2017.

The Company has secured $22 million in credit facilities with three major Brazilian banks at an average interest rate of 4%. The Company plans to utilize these credit facilities for working capital purposes at its operations and is currently assessing other debt funding alternatives including increasing its current $75 million corporate credit facility and direct project financing for the completion of the Santa Luz Mine recommissioning project.

During the third quarter, the Company entered into gold price hedging arrangements in order to manage cash flow during the development phase of the Santa Luz mine. On September 20, 2017, the Company entered into a zero-cost collar contract, where gold puts were purchased and gold calls were sold with put and call strike prices of $1,300 and $1,340 per ounce, respectively, for 2,000 ounces per month. These purchases and sales will be made from October 2017 to December 2018, inclusive, totaling 30,000 ounces of gold.

Subsequent to the quarter end, the Company entered into forward currency contracts of R$120 million for 2019, at a fixed exchange rate that averages R$3.40 to US$1.00 and R$120 million at a fixed exchange rate that average R$3.50 to US$1.00. The Company already has currency hedging arrangements in place for 2017 and 2018. In 2017 and 2018, Brio Gold has 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.

Q3 2017 Summary Operational Results

	For the three months ended September 30,			**For the nine months ended September 30,**		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Gold production (oz) (1)	42,913	46,076	(7)%	137,676	139,185	(1)%
Gold sales (oz) (1)	43,228	46,808	(8)%	135,534	140,403	(3)%
Average realized gold price(2)	$1,267	$1,309	(3)%	$1,242	$1,243	-%
Total cost of sales per gold ounce sold(1)	$1,160	$1,132	2%	$1,124	$1,001	12%
Cash cost per gold ounce produced (1,2)	$876	$813	8%	$858	$714	20%
Consolidated AISC per gold ounce produced (1,2)	$1,228	$1,157	6%	$1,119	$965	16%

Notes:

(1) Operating statistics only include RDM from the date that it was acquired on April 29, 2016.

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

Production during the third quarter from the Company's three producing mines was 42,913 ounces of gold, 7% lower than the comparative quarter of 2016.

At the Pilar mine, third quarter production decreased 6% when compared to the same period in 2016. Gold feed grades were significantly lower as a result of a proportional increase in production from the lower grade Maria Lazara deposit and an increased percentage of ore development tonnage at the main Pilar Mine, which led to higher overall dilution. The Company ran the mill at its full design capacity in the quarter, which corresponds to an annual design rate of 1.4 million tonnes per year, or 26% greater throughput year over year. The Company is now confident that the plant can sustain this rate as Brio Gold, in the future, introduces low cost ore from the Tres Buracos open pit development project at Pilar. The Company now intends to return to a lower throughput rate by reducing development ore tonnage and Maria Lazara production, focusing on cost containment and grade. Although this is expected to impact production in the fourth quarter, ultimately cash flow should improve with reduced cost and improved margins. The Company now expects 2017 production for Pilar to be 78,000 to 83,000 ounces.

At Fazenda Brasileiro, third quarter production in 2017 was 8% lower than the same period last year primarily due to lower feed grades as a result of mine sequencing, partially offset by higher recoveries. Feed grade significantly improved month-over-month within the quarter. The Company expects grade to continue to show improvements in the fourth quarter with production forecasted to increase and provide the strongest quarter for Fazenda Brasileiro in 2017. To reflect actual production year to date, the Company expects production at Fazenda Brasileiro to be 60,000 to 65,000 ounces.

The RDM mine was put on care and maintenance for 51 days during the quarter due to a lack of water as a result of continued dry season conditions. At the end of October, the rainy season commenced and the Company is now in the process of re-starting the RDM mine. Consistent production is expected going forward at RDM with the water storage facility complete. The Company expects production for 2017 at RDM to be 45,000 to 50,000 ounces of gold. An ore stockpile was built up in the third quarter to provide process flexibility for when the mine resumes production

Breakdown by Mine

	For the three months ended September 30,			**For the nine months ended September 30,**		
Gold production (oz)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Pilar	19,045	20,237	(6)%	59,816	64,891	(8)%
Fazenda Brasileiro	15,915	17,211	(8)%	44,879	52,608	(15)%
RDM(1)	7,953	8,628	(8)%	32,981	21,686	52%
Total Production	**42,913**	**46,076**	**(7)%**	**137,676**	**139,185**	**(1)%**
Total Cost of Sales ($ per oz sold)						
Pilar	$1,212	$1,152	5%	$1,123	$1,023	10%
Fazenda Brasileiro	$1,152	$998	15%	$1,161	$901	29%
RDM(1)	$1,046	$1,342	(22)%	$1,078	$1,189	(9)%
Total Cost of Sales per gold oz sold	**$1,160**	**$1,132**	**2%**	**$1,124**	**$1,001**	**12%**
Cash Costs ($ per oz produced)						
Pilar	$845	$791	7%	$820	$698	17%
Fazenda Brasileiro	$943	$751	26%	$877	$667	31%
RDM(1)	$815	$986	(17)%	$900	$878	3%
Total Cash Costs	**$876**	**$813**	**8%**	**$858**	**$714**	**20%**

AISC ($ per oz produced)						
Pilar	1,085	1,067	2%	1,035	884	17%
Fazenda Brasileiro	1,158	1,039	11%	1,055	883	19%
RDM[1]	1,241	1,174	6%	1,022	999	2%
Total Mine AISC ($ per oz produced)	**1,141**	**1,077**	**6%**	**1,038**	897	**16%**
Total Consolidated AISC ($ per oz produced)	**1,228**	**1,157**	**6%**	**1,119**	**965**	**16%**

Notes:
(1) Operating statistics only include RDM from the date that it was acquired on April 29, 2016.

Third Quarter 2017 Financial Results Conference Call and Webcast

Brio Gold will hold a conference call and webcast on November 1, 2017 at 10:00 am ET.

Third 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: 94463369

The conference call replay will be available from 1:00 p.m. ET on November 1, 2017 until 12:00 p.m. ET on November 8, 2017.

About Brio Gold

Brio Gold is a Canadian mining company with significant gold producing, development and exploration stage properties in Brazil. Brio Gold's portfolio includes three operating gold mines and a fully-permitted, fully-constructed mine that was on care and maintenance and currently is in development to be re-started at the end of 2018. Brio Gold produced approximately 190,000 ounces of gold in 2016 and at full run-rate expects annual production to be approximately 400,000 ounces of gold.

FOR FURTHER INFORMATION PLEASE CONTACT:
Letitia Wong
Vice President, Corporate Development
Telephone: +1 (416) 860-6310
Email: info@briogoldinc.com

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, 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 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, 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 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)

	For the three months ended September 30, 2017			
(In thousands of U.S. dollars, except per share and per ounce amounts)	**Consolidated**	**Pilar Mine**	**Fazenda Brasileiro Mine**	**RDM Mine**
Cost of sales including depletion, depreciation and amortization	50,127	22,348	19,196	8,497
Depletion, depreciation and amortization	(10,442)	(5,868)	(3,356)	(1,132)
Adjustments:				
Inventory movement and adjustments[1]	(2,093)	(387)	(832)	(883)
Cash costs[2]	37,592	16,093	15,008	6,482
General and administrative expenses attributable to all-in sustaining costs	5,470	99	86	103
Stock based compensation	(1,888)	—	—	—
Sustaining capital expenditures	11,523	4,472	3,336	3,285
All-in sustaining costs[2]	52,697	20,664	18,430	9,870
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,160	1,212	1,152	1,046
Cash cost per gold ounce produced[2]	876	845	943	815
All-in sustaining costs per ounce produced[2]	1,228	1,085	1,158	1,241
Gold ounces produced during the period (oz.)	42,913	19,045	15,915	7,953
Gold ounces sold during the period (oz.)	43,228	18,444	16,658	8,126

For the three months ended September 30, 2016

(In thousands of U.S. dollars, except per share and per ounce amounts)		**Consolidated**		**Pilar Mine**		**Fazenda Brasileiro Mine**		**RDM Mine**
Cost of sales including depletion, depreciation and amortization		53,009		23,787		17,072		12,150
Depletion, depreciation and amortization		(13,936)		(9,295)		(3,792)		(849)
Adjustments:								
Inventory movement and adjustments[1]		(1,613)		1,515		(355)		(2,794)
Cash costs(2)		37,460		16,007		12,925		8,507
General and administrative expenses attributable to all-in sustaining costs		5,509		26		44		30
Stock based compensation		(1,742)		—		—		—
Sustaining capital expenditures		12,065		5,560		4,913		1,592
All-in sustaining costs(2)		53,292		21,593		17,882		10,129
Cost of sales including depletion, depreciation and amortization per gold ounce sold	$	1,132	$	1,152	$	998	$	1,342
Cash cost per gold ounce produced(2)	$	813	$	791	$	751	$	986
All-in sustaining costs per ounce produced(2)	$	1,157	$	1,067	$	1,039	$	1,174
Gold ounces produced during the period (oz.)		46,076		20,237		17,211		8,628
Gold ounces sold during the period (oz.)		46,808		20,656		17,100		9,052

For the nine months ended September 30, 2017

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Consolidated**	**Pilar Mine**	**Fazenda Brasileiro Mine**	**RDM Mine**
Cost of sales including depletion, depreciation and amortization	152,456	65,936	50,272	36,162
Depletion, depreciation and amortization	(35,348)	(17,150)	(13,136)	(4,976)
Adjustments:				
Inventory movement and adjustments(1)	1,018	263	2,223	(1,503)
Cash costs(2)	118,126	49,049	39,359	29,683
General and administrative expenses attributable to all-in sustaining costs	17,041	873	677	413
Stock based compensation	(5,632)	—	—	—
Sustaining capital expenditures	24,524	11,988	7,311	3,611
All-in sustaining costs(2)	152,820	61,910	47,347	33,707
Cost of sales including depletion, depreciation and amortization per gold ounce	1,124	1,123	1,161	1,078
Cash cost per gold ounce produced(2)	858	820	877	900
All-in sustaining costs per ounce produced(2)	1,119	1,035	1,055	1,022
Gold ounces produced during the period (oz.)	137,676	59,816	44,879	32,981
Gold ounces sold during the period (oz.)	135,534	58,702	43,283	33,549

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the nine months ended September 30, 2016 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	140,542	65,737	48,998	25,807
Depletion, depreciation and amortization	(40,494)	(25,605)	(12,822)	(2,067)
Adjustments:				
Inventory movement and adjustments(1)	(670)	5,162	(1,086)	(4,700)
Cash costs(2)	99,378	45,294	35,090	19,040
General and administrative expenses attributable to all-in sustaining costs	16,426	560	214	34
Stock based compensation	(5,226)	—	—	—
Sustaining capital expenditures	23,755	11,501	11,150	2,580
All-in sustaining costs(2)	134,333	57,355	46,454	21,654
Cost of sales including depletion, depreciation and amortization per gold ounce	1,001	1,023	901	1,189
Cash cost per gold ounce produced(2)	714	698	667	878
All-in sustaining costs per ounce produced(2)	965	884	883	999
Gold ounces produced during the period (oz.)	139,185	64,891	52,608	21,686
Gold ounces sold during the period (oz.)	140,403	64,289	54,408	21,706

Notes:

(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.

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)	**Q3-17**	**Q2-17**	**Q1-17**	**Q4-16**
Cost of sales including depletion, depreciation and amortization	50,127	48,646	53,684	71,169
Depletion, depreciation and amortization	(10,442)	(11,541)	(13,366)	(26,275)
Adjustments:				
Inventory movement and adjustments(1)	(2,093)	877	2,254	(2,897)
Cash costs(2)	37,592	37,982	42,572	41,997
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,160	1,139	1,082	1,421
Cash cost per gold ounce produced(2)	876	859	842	832
Gold ounces produced during the period (oz.)	42,913	44,223	50,540	50,477
Gold ounces sold during the period (oz.)	43,228	42,691	49,615	50,092

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q3-16**	**Q2-16**	**Q1-16**	**Q4-15**
Cost of sales including depletion, depreciation and amortization	53,009	54,265	33,111	39,812
Depletion, depreciation and amortization	(13,936)	(15,752)	(10,855)	(14,076)
Adjustments:				
Inventory movement and adjustments(1)	(1,614)	(226)	1,382	(1,850)
Cash costs(2)	37,459	38,287	23,638	23,886
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,132	1,037	803	1,016
Cash cost per gold ounce produced(2)	813	726	590	610
Gold ounces produced during the period (oz.)	46,076	52,737	40,372	39,279
Gold ounces sold during the period (oz.)	46,808	52,351	41,243	39,194

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3-17	Q2-17	Q1-17	Q4-16
Cost of sales including depletion, depreciation and amortization	22,348	22,635	20,953	36,843
Depletion, depreciation and amortization	(5,868)	(6,213)	(5,070)	(17,919)
Adjustments:				
Inventory movement and adjustments[1]	(387)	436	258	408
Cash costs[2]	16,093	16,858	16,141	19,332
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,212	1,144	1,024	1,687
Cash cost per gold ounce produced[2]	845	831	788	872
Gold ounces produced during the period (oz.)	19,045	20,287	20,484	22,170
Gold ounces sold during the period (oz.)	18,444	19,793	20,465	21,837

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3-16	Q2-16	Q1-16	Q4-15
Cost of sales including depletion, depreciation and amortization	23,787	22,554	19,726	19,237
Depletion, depreciation and amortization	(9,295)	(8,782)	(7,577)	(5,682)
Adjustments:				
Inventory movement and adjustments[1]	1,515	1,713	1,626	(374)
Cash costs[2]	16,007	15,485	13,775	13,181
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,152	1,023	914	851
Cash cost per gold ounce produced[2]	791	679	641	618
Gold ounces produced during the period (oz.)	20,237	22,806	21,848	21,326
Gold ounces sold during the period (oz.)	20,656	22,047	21,586	22,617

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3-17	Q2-17	Q1-17	Q4-16
Cost of sales including depletion, depreciation and amortization	19,196	14,624	16,452	20,530
Depletion, depreciation and amortization	(3,356)	(3,189)	(6,591)	(5,870)
Adjustments:				
Inventory movement and adjustments[1]	(832)	1,135	1,932	(896)
Cash costs[2]	15,008	12,570	11,793	13,764
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,152	1,145	1,188	1,074
Cash cost per gold ounce produced[2]	943	892	793	753
Gold ounces produced during the period (oz.)	15,915	14,092	14,872	18,279
Gold ounces sold during the period (oz.)	16,658	12,776	13,849	19,110

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3-16	Q2-16	Q1-16	Q4-15
Cost of sales including depletion, depreciation and amortization	17,072	17,784	14,368	20,054
Depletion, depreciation and amortization	(3,792)	(5,484)	(3,556)	(8,394)
Adjustments:				
Inventory movement and adjustments(1)	(355)	(50)	(910)	(914)
Cash costs(2)	12,925	12,250	9,902	10,746
Cost of sales including depletion, depreciation and amortization per gold ounce sold	998	1,008	731	1,210
Cash cost per gold ounce produced(2)	751	726	536	599
Gold ounces produced during the period (oz.)	17,211	16,873	18,524	17,953
Gold ounces sold during the period (oz.)	17,100	17,650	19,657	16,577

RDM, Brazil

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3-17	Q2-17	Q1-17	Q4-16	Q3-16	Q2-16
Cost of sales including depletion, depreciation and amortization	8,497	11,387	16,278	13,660	12,150	13,080
Depletion, depreciation and amortization	(1,132)	(2,139)	(1,705)	(2,477)	(849)	(1,217)
Adjustments:						
Inventory movement and adjustments(1)	(883)	(694)	64	(2,278)	(2,794)	(1,334)
Cash costs(2)	6,482	8,554	14,637	8,905	8,507	10,529
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,046	1,125	1,064	1,494	1,342	1,079
Cash cost per gold ounce produced(2)	815	869	964	888	986	807
Gold ounces produced during the period (oz.)	7,953	9,844	15,184	10,028	8,628	13,058
Gold ounces sold during the period (oz.)	8,126	10,122	15,301	9,146	9,052	12,654

Notes:

(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.

(3) RDM was acquired during Q2 2016, therefore Q4 2015 and Q1 2016 are not applicable

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 to Adjusted EBITDA

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

	For the three months ended September 30,		For the nine months ended September 30,	
(In thousands of U.S. dollars)	**2017**	**2016**	**2017**	**2016**
Net (loss)/earnings	(10,003)	(15,534)	(14,987)	5,255
Adjustments:				
Income tax expense/(recovery)	1,229	7,064	(5,458)	(15,058)
Depletion, depreciation and amortization	10,442	13,936	35,348	40,494
Foreign exchange loss	2,563	4,171	2,558	7,188
Bank, financing fees, interest expense and other	1,734	1,653	3,647	2,196
Stock based compensation	1,888	1,742	5,632	5,226
Unrealized loss on foreign exchange hedges	1,800	—	2,328	—
Adjusted EBITDA	**$ 9,653**	**$ 13,032**	**$ 29,068**	**$ 45,301**

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 to Adjusted Earnings or Loss

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

	For the three months ended September 30,		For the nine months ended September 30,	
(In thousands of U.S. dollars)	**2017**	**2016**	**2017**	**2016**
Net earnings	$ (10,003)	$ (15,534)	$ (14,987)	$ 5,256
Adjustments:				
Foreign exchange loss	2,563	4,171	2,558	7,188
Unrealized loss on foreign exchange hedges	1,800	—	2,328	—
Provisions on indirect tax credits	1,672	1,117	555	5,452
(Gain)/loss on sale of indirect tax credits	(4,365)	890	(4,376)	657
Business transaction costs	—	618	848	4,481
Stock based compensation	1,888	1,742	5,632	5,226
Non-cash tax effect on unrealized foreign exchange losses/(gains)	(1,587)	1,120	(4,849)	(28,161)
Tax impact of adjustments	37	(1,441)	119	(4,931)
Other	1,243	631	4,353	1,695
Adjusted (loss)/earnings	**$ (6,752)**	**$ (6,686)**	**$ (7,819)**	**$ (3,137)**

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 September 30,		For the nine months ended September 30,	
(In thousands of U.S. dollars, except price per ounce in dollars and ounces sold)	**2017**	**2016**	**2017**	**2016**
Revenue from mining operations	$ 54,126	$ 60,559	$ 166,478	$ 172,846
Brazilian mining royalty (CFEM)	535	604	1,652	1,730
Revenue from mining operations excluding CFEM	54,661	61,163	168,130	174,576
Gold ounces sold during the period (oz.)	43,228	46,808	135,534	140,403
Realized price per gold ounce sold ($/oz.)	**$ 1,264**	**$ 1,307**	**$ 1,241**	**$ 1,243**

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)/INCOME

	For the three months ended September 30,		For the nine months ended September 30,	
(In thousands of United States Dollars, except share and per share amounts), (unaudited)	**2017**	**2016**	**2017**	**2016**
Revenue from mining operations	**$ 54,126**	$ 60,559	**$ 166,478**	$ 172,846
Cost of sales excluding depletion, depreciation and	**(39,685)**	(39,073)	**(117,108)**	(100,048)
Gross margin excluding depletion, depreciation and amortization	**14,441**	21,486	**49,370**	72,798
Depletion, depreciation and amortization	**(10,442)**	(13,936)	**(35,348)**	(40,494)
Mine operating earnings	**3,999**	7,550	**14,022**	32,304
Expenses				
General and administrative	**(5,470)**	(5,509)	**(17,041)**	(16,426)
Other operating expense	**(53)**	(3,859)	**(4,651)**	(14,123)
Operating (loss)/earnings	**(1,524)**	(1,818)	**(7,670)**	1,755
Foreign exchange loss	**(2,563)**	(4,171)	**(2,558)**	(7,188)
Unrealized foreign exchange hedges loss	**(1,800)**	—	**(2,328)**	—
Finance expense	**(2,887)**	(2,481)	**(7,889)**	(4,370)
Loss before income taxes	**(8,774)**	(8,470)	**(20,445)**	(9,803)
Income tax (expense)/recovery	**(1,229)**	(7,064)	**5,458**	15,058
Net (loss)/earnings	**(10,003)**	(15,534)	**(14,987)**	5,255
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Change in fair value of hedging instruments, net of tax	9,894	—	12,753	—
Total comprehensive (loss)/income	**$ (109)**	$ (15,534)	**$ (2,234)**	$ 5,255
Net (loss)/earnings per share				
Net (loss)/earnings per share (basic)	**$ (0.09)**	$ (0.63)	**$ (0.13)**	$ 0.22
Net (loss)/earnings per share (diluted)	**$ (0.09)**	$ (0.63)	**$ (0.13)**	$ 0.21
Weighted average number of shares outstanding				
Basic	**112,527,429**	24,467,689	**112,527,429**	23,824,918
Diluted	**112,527,429**	24,467,689	**112,527,429**	25,341,058

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of United States Dollars)		As at September 30, 2017 *(unaudited)*		As at December 31, 2016
Assets				
Current assets:				
Cash	$	**9,698**	$	7,014
Trade and other receivables		**8,587**		154
Inventories		**39,675**		29,620
Derivative related assets		**14,926**		1,328
Other current assets		**17,027**		12,777
		89,913		50,893
Non-current assets:				
Property, plant and equipment		**495,566**		481,746
Non-current derivative related assets		**1,540**		—
Deferred tax assets		**10,125**		6,167
Other non-current assets		**9,695**		2,893
Total assets	$	**606,839**	$	541,699
Liabilities				
Current liabilities:				
Trade and other payables	$	**45,945**	$	56,066
Income taxes payable		**6,165**		2,998
Short-term debt		**1,503**		—
Other financial liabilities		**1,892**		1,414
Other provisions and liabilities		**3,964**		5,243
		59,469		65,721
Non-current liabilities:				
Long-term debt		**60,166**		—
Decommissioning, restoration and similar liabilities		**41,315**		36,871
Deferred income tax liabilities		**10,816**		11,413
Other non-current provisions and liabilities		**8,882**		4,902
Total liabilities		**180,648**		118,907
Equity				
Share capital		**427,858**		427,858
Reserves		**89,062**		70,675
Deficit		**(90,729)**		(75,741)
Total equity		**426,191**		422,792
Total equity and liabilities	$	**606,839**	$	541,699

BRIO GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

	For the three months ended September 30,		For the nine months ended September 30,	
(In thousands of United States Dollars), (unaudited)	**2017**	**2016**	**2017**	**2016**
Operating activities				
Loss before income tax expense	**$ (8,774)**	$ (8,470)	**$ (20,445)**	$ (9,803)
Adjustments to reconcile loss before income taxes to operating cash flows:				
Depletion, depreciation and amortization	**10,442**	13,936	**35,348**	40,494
Foreign exchange loss	**2,563**	4,171	**2,558**	7,188
Unrealized foreign exchange hedges loss	**1,800**	—	**2,328**	—
Finance expense	**2,887**	2,481	**7,889**	4,370
Other non-cash operating expenses *(Note 17b)*	**2,242**	4,380	**4,225**	12,256
Decommissioning, restoration and similar liabilities paid	**(258)**	(790)	**(1,199)**	(1,441)
Income taxes paid	**—**	(202)	**(88)**	(2,618)
Cash flows from operating activities before net change in working capital	**$ 10,902**	$ 15,506	**$ 30,616**	$ 50,446
Net change in working capital	**(4,332)**	(1,508)	**(30,290)**	(11,586)
Cash flows from operating activities	**$ 6,570**	$ 13,998	**$ 326**	$ 38,860
Investing activities				
Property, plant and equipment expenditures	**(21,370)**	(16,224)	**(55,915)**	(40,350)
Acquisition of Mineração Riacho dos Machados Ltda	**—**	—	**—**	(50,225)
Cash flows used in investing activities	**$ (21,370)**	$ (16,224)	**$ (55,915)**	$ (90,575)
Financing activities				
Proceeds from debt	**$ 14,003**	$ —	**$ 64,003**	$ —
Related party financing	**—**	—	**—**	51,361
Cost of debt	**(293)**	—	**(3,442)**	—
Interest and other finance expenses paid	**(836)**	—	**(1,643)**	—
Cash flows from financing activities	**$ 12,874**	$ —	**$ 58,918**	$ 51,361
Effect of foreign exchange on cash	**112**	162	**(645)**	919
(Decrease)/increase in cash	**$ (1,814)**	$ (2,064)	**$ 2,684**	$ 565
Cash, beginning of period	**$ 11,512**	$ 6,595	**$ 7,014**	$ 3,966
Cash, end of period	**$ 9,698**	$ 4,531	**$ 9,698**	$ 4,531