

**BRIO GOLD ANNOUNCES Q4 AND FULL YEAR 2017 OPERATING RESULTS AND 2018 GUIDANCE,  
PROVIDES SANTA LUZ UPDATE**

TORONTO, ONTARIO, January 16, 2018 — BRIO GOLD INC. (TSX: BRIO) (“BRIO GOLD” or the “Company”) announces its fourth quarter and full year 2017 preliminary operating results and 2018 guidance. The Company also provides an update on its Santa Luz project. All dollars are in U.S. Dollars, unless otherwise indicated.

*Gil Clausen, Brio Gold’s President and CEO, stated, “With grade challenges at Pilar and lack of water at RDM, our objective in the fourth quarter was to contain costs, maximize our cash flow and keep our growth projects on schedule. We achieved those objectives. Consolidated cash costs and all-in sustaining costs (AISC) improved quarter over quarter and we ended the year beating our cash cost guidance and being at the bottom end of our AISC guidance. We are starting the new year with all of our operations producing well and expect to see a marked improvement in production in 2018. In addition, our flagship Santa Luz mine, which is expected to produce over 100,000 ounces annually at low cost, remains on track for re-commissioning at year end.”*

**Fourth and Full Year Operating Results**

	Production (oz)		
	Q4 2017	FY 2017	2017 Guidance
Fazenda Brasileiro	16,100	60,978	60,000 – 65,000
RDM	10,135	43,116	45,000 – 50,000
Pilar	14,115	73,931	78,000 – 83,000
<b>Total Production</b>	<b>40,350</b>	<b>178,025</b>	<b>183,000 – 198,000</b>

	Cash Costs (\$ per oz)		
	Q4 2017	FY 2017	2017 Guidance
Fazenda Brasileiro	\$821	\$862	\$855 - \$865
RDM	\$536	\$814	\$955 - \$965
Pilar	\$983	\$852	\$810 - \$820
<b>Total Cash Costs</b>	<b>\$806</b>	<b>\$846</b>	<b>\$860 - \$870</b>

	AISC (\$ per oz)		
	Q4 2017	FY 2017	2017 Guidance
Fazenda Brasileiro	\$973	\$1,033	\$1,020 - \$1,030
RDM	\$879	\$989	\$1,110 - \$1,120
Pilar	\$1,186	\$1,064	\$1,005 - \$1,015
<b>Total Mine-Site AISC</b>	<b>\$1,024</b>	<b>\$1,035</b>	<b>\$1,035 - \$1,040</b>

Total production in the fourth quarter of 2017 was 40,350 ounces of gold and 178,025 ounces of gold for the full year of 2017. Full year production was lower than 2017 guidance, largely driven by lower production at Pilar as the Company restructured operations there in the fourth quarter. Cash costs for

the fourth quarter of 2017 were \$806 per ounce of gold, an 8% improvement compared to the third quarter of 2017 despite a 6% reduction in ounce production. Full year 2017 cash costs were \$846 per ounce of gold, lower than 2017 cash cost guidance as result of improved costs at Fazenda Brasileiro and RDM. Mine site all-in sustaining costs (AISC) for the fourth quarter of 2017 were \$1,024 per ounce of gold, improving 10% compared to the third quarter of 2017. Full year 2017 AISC was \$1,035 per ounce, coming in at the lowest end of the guidance range.

#### *Fazenda Brasileiro Mine*

Fazenda Brasileiro production, cash cost and AISC improved in the fourth quarter of 2017 when compared to the third quarter of 2017, as a result of improved grade, which improved 8% when compared to the third quarter 2017. Production in the fourth quarter of 2017 was 16,100 ounces of gold, 1% higher than the third quarter of 2017. Cash costs were \$821 per ounce, 13% lower than the third quarter of 2017 and AISC was \$973 per ounce, 16% lower than the third quarter of 2017.

Fazenda Brasileiro achieved full year 2017 production and cash cost guidance. Full year production was 60,978 ounces, compared to guidance of 60,000 to 65,000 ounces of gold. Cash costs were \$862 per ounce compared to guidance of \$855 to \$865 per ounce. AISC was \$1,033 per ounce compared to guidance of \$1,020 to \$1,030 per ounce.

The Company expects grade to continue to improve at Fazenda Brasileiro into 2018. As a result, 2018 production is expected to be 65,000 to 75,000 ounces of gold. Costs are expected to be \$760 to \$790 per ounce and AISC is expected to be \$960 to \$990 per ounce.

#### *RDM Mine*

Production in the fourth quarter of 2017 was 10,135 ounces of gold at the RDM mine. Cash costs were \$536 per ounce of gold in the fourth quarter, 34% lower than the third quarter of 2017. AISC was \$879 per ounce, 29% lower than the third quarter of 2017. Full year production was 43,116 ounces. Cash costs were \$814 per ounce for the full year of 2017, significantly beating annual cash cost guidance of \$955 to \$965 per ounce. Full year AISC was \$989 per ounce of gold, considerably below annual 2017 AISC guidance of \$1,110 and \$1,120 per ounce.

The RDM mine restarted in November, the beginning of the region's rainy season, and the new water dam/reservoir is operating well. Due to intermittent early November rain, the plant operated 11 days in the month compared to guidance of 15 days to allow adequate water reserves to build up. The operation has been running continuously since December 1<sup>st</sup> and the company expects that to continue into the foreseeable future.

The mine restructuring plan implemented in the second quarter of 2017 is now complete with the large-scale contract mining equipment fleet fully operational. Consequently, the Company expects consistent production at low cost going forward. Brio Gold is expecting a full year of production at RDM in 2018 with guidance set at 75,000 to 85,000 ounces of gold. Cash costs are expected to be \$790 to \$820 per ounce and AISC is expected to be \$830 to \$860 per ounce. In addition, the powerline connecting RDM to the grid is on schedule for completion in the second quarter of 2018, which should drive further cost improvements going forward with throughput increases and lower energy cost.

*Pilar Operations*

In the fourth quarter, Brio Gold focused on cost containment and maximizing cash flow at its Pilar operations. The Company started restructuring the mine operation, which included halting development at Maria Lazara, which was higher cost and lower grade due to a high proportion of low grade development ore. The Company has started to reduce its workforce in the fourth quarter to reflect the new restructuring plan. Production in the fourth quarter was 14,115 ounces of gold with cash costs of \$983 per ounce and AISC of \$1,186 per ounce. For the full year, production was 73,931 ounces of gold, cash costs were \$852 per ounce and AISC was \$1,064 per ounce.

The table below illustrates the impact of the fourth quarter restructuring changes at the Pilar Operation, which started in early fourth quarter.

	<b>November 30, 2017 YTD</b>	<b>December 2017</b>
Pilar Cash Costs (\$ per oz)	\$857	\$777
<i>Main Pilar</i>	\$805	\$800
<i>Maria Lazara</i>	\$1,068	\$706
AISC (\$ per oz)	\$1,075	\$916
<i>Main Pilar</i>	\$1,023	\$982
<i>Maria Lazara</i>	\$1,282	\$710

The Company is now mining out the developed reserves at Maria Lazara and will be focusing production going forward on the higher grade HG1 and HG2 zones 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. Additional workforce restructuring will occur as the contractor workforce is further reduced and the Company's workforce is balanced to fit a lower production year as the HG2 horizon at the Pilar Mine is developed and operations gear up in the second half of 2018. Pilar is expected to produce 65,000 to 75,000 ounces of gold in 2018. Cash costs in 2018 are expected to be between \$900 and \$930 per ounce of gold and AISC is expected to be between \$1,060 and \$1,090.

**2018 Guidance**

The Company expects to produce between 205,000 to 235,000 ounces of gold, representing a 15% to 32% increase compared to 2017 production. The increase is largely driven by a full year of production from its RDM mine and a 22% increase in production expected from Fazenda Brasileiro. The higher production forecast is offset by lower production expected from Pilar as the low-grade satellite deposit Maria Lazara is removed from the mine plan, as detailed above. A summary of Brio Gold's 2018 guidance is provided below.

	2018 Guidance		
	Production	Cash Costs	Mine Site AISC
Fazenda Brasileiro	65,000 – 75,000	\$760 - \$790	\$960 - \$990
RDM	75,000 – 85,000	\$790 - \$820	\$830 - \$860
Pilar	65,000 – 75,000	\$900 - \$930	\$1,060 - \$1,090
<b>Total Brio Gold</b>	<b>205,000 – 235,000</b>	<b>\$815 - \$845</b>	<b>\$945 - \$975</b>

Cash costs and AISC assume a BRL to USD exchange rate of 3.30 to 1.0.

### **Santa Luz Project Update**

Santa Luz continues to advance on schedule. The relining of the tailings pond and detailed engineering is expected to be completed in the first quarter of 2018. Full detailed engineering will be 100% complete by the end of February. The Company is also taking delivery of the ball mill in the first quarter of 2018 and the process tanks and agitators are on schedule to be delivered in the second quarter of 2018.

The Company has re-negotiated several contracts in relation to the construction of the Santa Luz project that will allow for a deferral of expenditures while keeping the production on schedule. With these deferrals, the Company can now fund a majority of the capital spend through internal cash flow. The balance of funding is not expected to be required until mid to late second quarter of 2018 in order to keep construction on track for commissioning in December 2018. Further, the Company may also defer expenditures and commissioning start for up to six months into 2019 in order to be able to complete the project entirely from its own internal cashflow as an alternative to incurring project level debt, which is currently being negotiated with major Brazilian banks.

### **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 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.

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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.