BRIO GOLD REPORTS FOURTH QUARTER AND FULL YEAR 2017 FINANCIAL RESULTS

TORONTO, ONTARIO, March 13, 2018 — BRIO GOLD INC. (TSX: BRIO) ("BRIO GOLD" or the "Company") announces its fourth quarter and full year 2017 financial and operating results. *All dollar figures are in U.S. dollars unless otherwise indicated.*

Q4 and Full Year 2017 Summary Financial Results

In thousands of U.S. Dollars	**For the three months ended December 31**		**For the twelve months ended December 31,**	
	2017	**2016**	**2017**	**2016**
Revenues from mining operations	$51,413	$59,510	$217,891	$232,356
Mine operating (loss)/earnings	$8,587	$(122,379)	$28,250	$(90,074)
Net loss	$(8,870)	$(22,115)	$(21,000)	$(16,859)
Adjusted loss (1)	$(4,552)	$(28,897)	$(9,514)	$(17,925)
Adjusted EBITDA(1)	$3,719	$8,622	$30,556	$67,379
Cash flow from operating activity	$10,406	$31,225	$11,732	$70,086
Cash flow from operating activities before changes in working capital	$10,956	$20,024	$41,572	$70,470

(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 $217.9 million on the sale of 176,069 ounces for the year ended December 31, 2017, compared to $232.4 million on the sale of 192,524 ounces for the comparable period in 2016.

Net loss in 2017 was $21.0 million or $0.18 per share, compared to a net loss of $16.9 million or $0.37 per share for 2016.

The Adjusted Loss in 2017 was $9.5 million, compared to a loss of $17.9 million for the same period of 2016 as the decrease in revenues from mining operations was offset by lower depletion, depreciation and amortization expense. See the end of this press release for a reconciliation of net loss to Adjusted Loss.

Cash flow from operating activities after changes in working capital for 2017 was an inflow of $11.7 million, compared to an inflow of $70.1 million in 2016 due to reduced cash flow from operating activities and a $29.8 million increase in working capital, largely due to a build up of ore stockpile at the RDM Mine and a reduction in trade accounts payable. Cash flow from operating activities before changes in working capital for 2017 was an inflow of $41.6 million, lower compared to an inflow of $70.5 million in 2016 due to higher per unit costs, and higher general and administrative expenses due to one-time costs associated with the transition of Brio Gold becoming a stand alone public company.

Full Year 2017 Summary Operational Results

Consolidated Operating Statistics	For the three months ended December 31, 2017	2016	Change	For the twelve months ended December 31, 2017	2016	Change
Gold production (oz.) (1)	40,350	50,477	(20)%	178,025	189,662	(6)%
Gold sales (oz.)	40,455	50,093	(19)%	176,069	192,524	(9)%
Average realized gold price per ounce sold(2)	$1,286	$1,199	7%	$1,250	$1,219	3%
Cost of sales including depletion, depreciation and amortization per gold ounce sold	$1,059	$1,421	(9)%	$1,076	$1,099	(2)%
Cash cost per gold ounce produced(2)	$806	$832	(3)%	$846	$746	13%
All-in sustaining costs per ounce of gold	$1,150	$1,106	4%	$1,126	$985	14%

Notes:

(1) Operating statistics only include RDM from the date that it was acquired on April 29, 2016.
(2) A non-GAAP financial measure. Please see the end of the press release for a reconciliation.

Production during the year of 2017 from the Company's three producing mines was lower than the comparative year of 2016 by 6% due to lower production at the Fazenda Brasileiro Mine and the Pilar Mine, partially offset by higher production at the RDM Mine.

At the Fazenda Brasileiro Mine, the annual production in 2017 was 60,978 ounces of gold, 14% lower than the same period last year primarily due to lower feed grades from mine sequencing. The grade in the fourth quarter improved significantly over the previous quarter and the Company expects grade to continue to show improvements in 2018. For 2018, the Company expects production at the Fazenda Brasileiro Mine to be 65,000 to 75,000 ounces of gold.

At the Pilar Mine, lower overall grade was a result of increased production from the lower grade Maria Lazara deposit. During the fourth quarter, the company started restructuring the operation, which included halting development at Maria Lazara. 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. Pilar is expected to produce 65,000 to 75,000 ounces of gold in 2018.

The RDM Mine was put on care and maintenance for close to 5 months in 2017 due to a lack of water. The new water dam/reservoir is operating well, as the region's rainy season allowed adequate water reserves to build up. The operation has been running continuously since December 1st and the company expects that to continue into the foreseeable future. Consistent production at low cost is expected going forward, with Brio Gold forecasting a full year of production at RDM in 2018 with guidance set at 75,000 to 85,000 ounces of gold.

Overall cash costs and all-in sustaining costs per gold ounce for the year were higher than the comparative period of 2016 due to lower overall gold feed grades causing increased costs per ounce as the fixed component of production costs was allocated over fewer ounces. In addition, operating costs increased due to the strengthening of the Brazilian real against the U.S. dollar. Cost of sales including depletion, depreciation and amortization per gold ounce were lower than the comparative period of 2016 due to lower depletion, depreciation, and amortization.

Break down by Mine

	For the three months ended December 31,			For the twelve months ended December 31,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Gold production (oz.)(1)						
Pilar Mine	14,115	22,170	(36)%	73,931	87,061	(15)%
Fazenda Brasileiro Mine	16,100	18,279	(12)%	60,978	70,887	(14)%
RDM Mine	10,135	10,028	1 %	43,116	31,714	36 %
Total gold production	**40,350**	**50,477**	**(20)%**	**178,025**	**189,662**	**(6)%**
Gold sales (oz.)(1)						
Pilar Mine	15,041	21,837	(31)%	73,753	86,126	(14)%
Fazenda Brasileiro Mine	16,345	19,110	(14)%	59,631	73,517	(19)%
RDM Mine	9,069	9,146	(1)%	42,685	32,881	30 %
Total gold sales	**40,455**	**50,093**	**(19)%**	**176,069**	**192,524**	**(9)%**
Cost of sales including depletion, depreciation and amortization per gold oz sold (1)						
Pilar Mine	$ 1,393	$ 1,687	(17)%	$ 1,220	$ 1,195	2 %
Fazenda Brasileiro Mine	978	1,074	(9)%	974	949	3 %
RDM Mine	628	1,494	(58)%	971	1,183	(18)%
Cost of sales including depletion, depreciation and amortization per gold oz sold	**$ 1,059**	**$ 1,421**	**(9)%**	**$ 1,076**	**$ 1,099**	**(2)%**
Cash cost per gold ounce produced(1,2)						
Pilar Mine	$ 983	$ 872	13 %	$ 852	$ 742	15 %
Fazenda Brasileiro Mine	821	753	9 %	862	689	25 %
RDM Mine	536	888	(40)%	814	881	(8)%
Total cash cost per gold ounce produced	**$ 806**	**$ 832**	**(3)%**	**$ 846**	**$ 746**	**13 %**
All-in sustaining costs per ounce of gold produced(1,2)						
Pilar Mine	$ 1,186	$ 1,150	3 %	$ 1,064	$ 951	12 %
Fazenda Brasileiro Mine	973	1,018	(4)%	1,033	918	13 %
RDM Mine	879	1,006	(13)%	989	1,001	(1)%
Total mine all-in sustaining costs per ounce of gold produced	**$ 1,024**	**$ 1,074**	**(5)%**	**$ 1,035**	**$ 947**	**9 %**
Consolidated all-in sustaining costs per ounce of gold produced	**$ 1,150**	**$ 1,106**	**4 %**	**$ 1,126**	**$ 985**	**14 %**

Notes:

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

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

About Brio Gold

Brio Gold is an established 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 is expected to produce 205,000 to 235,000 ounces of gold in 2018 and at full run-rate is expected to produce approximately 400,000 ounces of gold annually in 2019.

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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, 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, corporate general and administrative expenses, stock-based compensation, income tax payments, financing costs and dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, the calculation of all-in sustaining costs does not include depletion, depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. The term "all-in sustaining costs" has no standard meaning and therefore, the Company's definitions are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.

Reconciliation of cost of sales including depletion, depreciation and amortization to cash costs and all-in sustaining costs, consolidated and per mine

(Based on Consolidated Financial Statements unless otherwise noted)

	For the three months ended December 31, 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	42,826	20,957	15,981	5,697
Depletion, depreciation and amortization	(8,133)	(4,769)	(1,776)	(1,397)
Adjustments:				
Inventory movement and adjustments(1)	(2,171)	(2,313)	(987)	1,132
Cash costs(2)	32,522	13,875	13,218	5,432
General and administrative expenses attributable to all-in sustaining costs	6,393	106	73	251
Stock based compensation	(1,381)	—	—	—
Sustaining capital expenditures	8,869	2,759	2,374	3,226
All-in sustaining costs(2)	46,403	16,740	15,665	8,909
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,059	1,393	978	628
Cash cost per gold ounce produced(2)	806	983	821	536
All-in sustaining costs per ounce produced(2)	1,150	1,186	973	879
Gold ounces produced during the period (oz.)	40,350	14,115	16,100	10,135
Gold ounces sold during the period (oz.)	40,455	15,041	16,345	9,069

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the three months ended December 31, 2016 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	71,169	36,843	20,530	13,660
Depletion, depreciation and amortization	(26,275)	(17,919)	(5,870)	(2,477)
Adjustments:				
Inventory movement and adjustments[1]	(2,897)	408	(896)	(2,278)
Cash costs[2]	41,997	19,332	13,764	8,905
General and administrative expenses attributable to all-in sustaining costs	3,232	90	115	144
Stock based compensation	(1,742)	—	—	—
Sustaining capital expenditures	12,341	6,074	4,729	1,039
All-in sustaining costs[2]	55,828	25,496	18,608	10,088
Cost of sales including depletion, depreciation and amortization per gold ounce sold	$ 1,421	$ 1,687	$ 1,074	$ 1,494
Cash cost per gold ounce produced[2]	$ 832	$ 872	$ 753	$ 888
All-in sustaining costs per ounce produced[2]	$ 1,106	$ 1,150	$ 1,018	$ 1,006
Gold ounces produced during the period (oz.)	50,477	22,170	18,279	10,028
Gold ounces sold during the period (oz.)	50,092	21,837	19,110	9,146

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the twelve months ended December 31, 2017 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	189,641	89,955	58,069	41,428
Depletion, depreciation and amortization	(37,840)	(24,979)	(6,728)	(5,942)
Adjustments:				
Inventory movement and adjustments[1]	(1,192)	(1,987)	1,222	(390)
Cash costs[2]	150,609	62,989	52,563	35,096
General and administrative expenses attributable to all-in sustaining costs	23,434	927	742	709
Stock based compensation	(7,012)	—	—	—
Sustaining capital expenditures	33,425	14,747	9,685	6,837
All-in sustaining costs[2]	200,456	78,663	62,990	42,642
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,076	1,220	974	971
Cash cost per gold ounce produced[2]	846	852	862	814
All-in sustaining costs per ounce produced[2]	1,126	1,064	1,033	989
Gold ounces produced during the period (oz.)	178,025	73,931	60,978	43,116
Gold ounces sold during the period (oz.)	176,069	73,753	59,631	42,685

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the twelve months ended December 31, 2016 Consolidated	Pilar Mine	Fazenda Brasileiro Mine	RDM Mine
Cost of sales including depletion, depreciation and amortization	211,554	102,910	69,754	38,890
Depletion, depreciation and amortization	(66,818)	(43,573)	(18,702)	(4,543)
Adjustments:				
Inventory movement and adjustments(1)	(3,248)	5,262	(2,211)	(6,406)
Cash costs(2)	141,488	64,599	48,841	27,941
General and administrative expenses attributable to all-in sustaining costs	13,262	264	253	65
Stock based compensation	(6,968)	—	—	—
Sustaining capital expenditures	39,035	17,932	15,980	3,740
All-in sustaining costs(2)	186,817	82,795	65,074	31,746
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,099	689	694	1,045
Cash cost per gold ounce produced(2)	746	742	689	881
All-in sustaining costs per ounce produced(2)	985	951	918	1,001
Gold ounces produced during the period (oz.)	189,662	87,061	70,887	31,714
Gold ounces sold during the period (oz.)	192,524	86,126	73,517	32,881

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 Consolidated Interim Financial Statements unless otherwise noted)

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q4-17**	**Q3-17**	**Q2-17**	**Q1-17**
Cost of sales including depletion, depreciation and amortization	42,826	48,972	46,871	50,972
Depletion, depreciation and amortization	(8,133)	(9,287)	(9,766)	(10,654)
Adjustments:				
Inventory movement and adjustments(1)	(2,171)	(2,093)	883	2,237
Cash costs(2)	32,522	37,592	37,988	42,555
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,059	1,133	1,098	1,027
Cash cost per gold ounce produced(2)	806	876	859	8426185
Gold ounces produced during the period (oz.)	40,350	42,913	44,223	50,540
Gold ounces sold during the period (oz.)	40,455	43,228	42,691	49,615

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	**Q4-16**	**Q3-16**	**Q2-16**	**Q1-16**
Cost of sales including depletion, depreciation and amortization	71,169	53,009	54,265	33,111
Depletion, depreciation and amortization	(26,275)	(13,936)	(15,752)	(10,855)
Adjustments:				
Inventory movement and adjustments(1)	(2,897)	(1,614)	(226)	1,483
Cash costs(2)	41,997	37,459	38,287	23,739
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,421	1,085	1,037	803
Cash cost per gold ounce produced(2)	832	813	726	588
Gold ounces produced during the period (oz.)	50,477	46,075	52,737	40,372
Gold ounces sold during the period (oz.)	50,092	48,837	52,351	41,243

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q4-17	Q3-17	Q2-17	Q1-17
Cost of sales including depletion, depreciation and amortization	20,957	22,915	23,276	22,804
Depletion, depreciation and amortization	(4,769)	(6,435)	(6,854)	(6,921)
Adjustments:				
Inventory movement and adjustments(1)	(2,313)	(387)	436	258
Cash costs(2)	13,875	16,093	16,858	16,141
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,393	1,242	1,176	1,114
Cash cost per gold ounce produced(2)	983	845	831	788
Gold ounces produced during the period (oz.)	14,115	19,045	20,287	20,484
Gold ounces sold during the period (oz.)	15,041	18,444	19,793	20,465

Pilar Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q4-16	Q3-16	Q2-16	Q1-16
Cost of sales including depletion, depreciation and amortization	36,843	23,787	22,554	19,726
Depletion, depreciation and amortization	(17,919)	(9,295)	(8,782)	(7,577)
Adjustments:				
Inventory movement and adjustments(1)	408	1,515	1,713	1,856
Cash costs(2)	19,332	16,007	15,485	14,005
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,687	1,152	1,023	914
Cash cost per gold ounce produced(2)	872	791	679	641
Gold ounces produced during the period (oz.)	22,170	20,237	22,806	21,848
Gold ounces sold during the period (oz.)	21,837	20,656	22,047	21,586

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q4-17	Q3-17	Q2-17	Q1-17
Cost of sales including depletion, depreciation and amortization	15,981	17,596	12,990	11,502
Depletion, depreciation and amortization	(1,776)	(1,756)	(1,555)	(1,641)
Adjustments:				
Inventory movement and adjustments(1)	(987)	(832)	1,135	1,932
Cash costs(2)	13,218	15,008	12,570	11,793
Cost of sales including depletion, depreciation and amortization per gold ounce sold	978	1,056	1,017	831
Cash cost per gold ounce produced(2)	821	943	892	793
Gold ounces produced during the period (oz.)	16,100	15,915	14,092	14,872
Gold ounces sold during the period (oz.)	16,345	16,658	12,776	13,849

Fazenda Brasileiro Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q4-16	Q3-16	Q2-16	Q1-16
Cost of sales including depletion, depreciation and amortization	20,530	17,072	17,784	14,368
Depletion, depreciation and amortization	(5,870)	(3,792)	(5,484)	(3,556)
Adjustments:				
Inventory movement and adjustments(1)	(896)	(355)	(50)	(883)
Cash costs(2)	13,764	12,925	12,250	9,929
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,074	998	1,008	731
Cash cost per gold ounce produced(2)	753	751	726	536
Gold ounces produced during the period (oz.)	18,279	17,211	16,873	18,524
Gold ounces sold during the period (oz.)	19,110	17,100	17,650	19,657

RDM Mine

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q4 -17	Q3-17	Q2-17	Q1-17	Q4-16	Q3-16	Q2-16
Cost of sales including depletion, depreciation and amortization	5,697	8,461	10,605	16,666	13,660	12,150	13,080
Depletion, depreciation and amortization	(1,397)	(1,096)	(1,357)	(2,093)	(2,477)	(849)	(1,217)
Adjustments:							
Inventory movement and adjustments(1)	1,132	(883)	(694)	64	(2,278)	(2,794)	(1,325)
Cash costs(2)	5,432	6,482	8,554	14,637	8,905	8,507	10,538
Cost of sales including depletion, depreciation and amortization per gold ounce sold	628	1,041	1,048	1,089	1,494	1,096	1,034
Cash cost per gold ounce produced(2)	536	815	869	964	888	986	807
Gold ounces produced during the period (oz.)	10,135	7,953	9,844	15,184	10,028	8,628	13,058
Gold ounces sold during the period (oz.)	9,069	8,126	10,122	15,301	9,146	11,081	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 Q1 2016 is 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 Consolidated Financial Statements unless otherwise noted)

	For the three months ended December 31,		For the twelve months ended December 31,	
(In thousands of U.S. dollars)	**2017**	**2016**	**2017**	**2016**
Net loss	(8,870)	(28,511)	(21,000)	(16,859)
Adjustments:				
Income tax expense/(recovery)	(944)	(8,221)	(3,618)	(23,279)
Depletion, depreciation and amortization	8,133	26,324	37,840	66,818
Foreign exchange (gain)/loss	(2,864)	2,051	(306)	9,239
Impairment of mineral properties	—	14,659	—	14,659
Bank, financing fees, interest expense and other	1,160	601	4,807	2,797
Loss/(gain) on sale of assets	1,001	(680)	(3,375)	6
Provision on indirect tax credits	4,353	1,520	4,908	6,972
Stock based compensation	1,380	1,742	7,012	6,968
Legal provisions	1,258	157	2,848	1,078
Unrealized (gain)/loss on hedge contracts	(888)	(1,020)	1,440	(1,020)
Adjusted EBITDA	**$ 3,719**	**$ 8,622**	**$ 30,556**	**$ 67,379**

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 Consolidated Financial Statements and the related notes.

Reconciliation of Net Loss to Adjusted Earnings or Loss

(Based on Consolidated Financial Statements unless otherwise noted)

	For the three months ended December 31,		For the twelve months ended December 31,	
(In thousands of U.S. dollars)	**2017**	**2016**	**2017**	**2016**
Net loss	$ (8,870)	$ (28,511)	$ (21,000)	$ (16,859)
Adjustments:				
Net impairment of mineral properties	—	14,659	—	14,659
Foreign exchange (gain)/loss	(2,864)	2,051	(306)	9,239
Unrealized (gain)/loss on hedge contracts	(888)	(1,020)	1,440	(1,020)
Provisions on indirect tax credits	4,353	1,520	4,908	6,972
Loss/(gain) on sale of assets	1,001	(680)	(3,375)	6
Reorganization costs	846	2,902	846	6,608
Business transaction costs	—	—	848	3,706
Stock based compensation	1,380	1,742	7,012	6,968
Tax effect on unrealized foreign exchange on non-monetary assets	3,422	(3,185)	(1,427)	(31,346)
Tax impact of adjustments	(1,427)	(15,905)	(1,308)	(20,836)
Other	(1,505)	(2,470)	2,848	3,978
Adjusted loss	**$ (4,552)**	**$ (28,897)**	**$ (9,514)**	**$ (17,925)**

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 Consolidated Financial Statements unless otherwise noted)

	For the three months ended December 31,		For the twelve months ended December 31,	
(In thousands of U.S. dollars, except price per ounce in dollars and ounces sold)	**2017**	**2016**	**2017**	**2016**
Revenue from mining operations	$ 51,413	$ 59,510	$ 217,891	$ 232,356
Brazilian mining royalty (CFEM)	621	575	2,273	2,305
Revenue from mining operations excluding CFEM	52,034	60,085	220,164	234,661
Gold ounces sold during the period (oz.)	40,455	50,093	176,069	192,524
Realized price per gold ounce sold ($/oz.)	**$ 1,286**	**$ 1,199**	**$ 1,250**	**$ 1,219**

BRIO GOLD INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31,

(In thousands of United States Dollars)	2017	2016
Revenues from mining operations	**$ 217,891**	$ 232,356
Cost of sales excluding depletion, depreciation and amortization	**(151,801)**	(144,736)
Gross margin excluding depletion, depreciation and amortization	**66,090**	87,620
Depletion, depreciation and amortization	**(37,840)**	(66,818)
Impairment of operating mineral properties	**—**	(110,876)
Mine operating income/(loss)	**28,250**	(90,074)
Expenses		
General and administrative	**(23,434)**	(13,262)
Impairment reversal of non-operating mineral properties *11)*	**—**	96,217
Other operating expenses	**(17,709)**	(18,500)
Operating loss	**(12,893)**	(25,619)
Foreign exchange gain/(loss)	**306**	(9,239)
Unrealized (loss)/gain on hedge contracts	**(1,440)**	1,020
Finance expense	**(10,591)**	(6,300)
Loss before income taxes	**(24,618)**	(40,138)
Income tax recovery	**3,618**	23,279
Net loss	**(21,000)**	(16,859)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of hedging instruments, net of tax	**3,993**	308
Total comprehensive loss	**(17,007)**	(16,551)
Net loss per share (basic and diluted)	**(0.18)**	(0.37)
Weighted average number of shares outstanding (basic and diluted)	**114,540,672**	45,878,479

The accompanying notes are an integral part of the consolidated financial statements.

BRIO GOLD INC.

CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31,

(In thousands of United States Dollars)	2017	2016
Assets		
Current assets:		
Cash	**$ 19,281**	$ 7,014
Trade and other receivables	**4,398**	154
Inventories	**40,560**	29,620
Derivative assets	**5,969**	1,328
Other current assets	**13,584**	12,777
	83,792	50,893
Non-current assets:		
Property, plant and equipment	**514,103**	481,746
Non-current derivative assets	**778**	—
Deferred tax assets	**7,447**	6,167
Other non-current assets	**5,835**	2,893
Total assets	**$ 611,955**	$ 541,699
Liabilities		
Current liabilities:		
Trade and other payables	**$ 50,925**	$ 56,066
Income taxes payable	**3,433**	2,998
Short-term debt	**13,663**	—
Other financial liabilities	**3,631**	1,414
Other provisions and liabilities	**2,465**	5,243
	74,117	65,721
Non-current liabilities:		
Long-term debt	**72,600**	—
Decommissioning, restoration and similar liabilities	**36,884**	36,871
Deferred tax liabilities	**5,588**	11,413
Derivative liabilities	**1,315**	—
Other non-current provisions and liabilities	**9,997**	4,902
Total liabilities	**200,501**	118,907
Equity		
Share capital	**440,975**	427,858
Reserves	**67,220**	70,675
Deficit	**(96,741)**	(75,741)
Total equity	**411,454**	422,792
Total equity and liabilities	**$ 611,955**	$ 541,699

The accompanying notes are an integral part of the consolidated financial statements.

BRIO GOLD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

(In thousands of United States Dollars)		2017		2016
Operating activities				
Loss before income tax expense	**$**	**(24,618)**	$	(40,138)
Adjustments to reconcile loss before income taxes to net operating cash flows:				
Depletion, depreciation and amortization		**37,840**		66,818
Foreign exchange (gain)/loss		**(306)**		9,239
Unrealized loss/(gain) on hedge contracts		**1,440**		(1,020)
Finance expense		**10,591**		6,300
Net impairment of mineral properties		**—**		14,659
Other non-cash operating expenses		**18,121**		19,667
Decommissioning, restoration and similar liabilities paid		**(1,408)**		(2,128)
Income taxes paid		**(88)**		(2,927)
Cash flows from operating activities before net change in working capital		**41,572**		70,470
Net change in working capital		**(29,840)**		(384)
Cash flows from operating activities		**11,732**		70,086
Investing activities				
Acquisition of Mineração Riacho dos Machados Ltda		**—**		(51,362)
Property, plant and equipment expenditures		**(80,449)**		(67,981)
Cash flows used in investing activities		**(80,449)**		(119,343)
Financing activities				
Proceeds from debt		**90,163**		—
Repayment of debt		**(1,500)**		—
Related party financing		**—**		51,361
Cost of debt		**(3,361)**		—
Interest and other finance expenses paid		**(3,213)**		—
Cash flows from financing activities		**82,089**		51,361
Effect of foreign exchange on cash		**(1,105)**		944
Increase in cash		**12,267**		3,048
Cash, beginning of year		**7,014**		3,966
Cash, end of year	**$**	**19,281**	$	7,014

The accompanying notes are an integral part of the consolidated financial statements.