

BRIO GOLD REPORTS FIRST QUARTER 2018 FINANCIAL AND OPERATING RESULTS

TORONTO, ONTARIO, May 15, 2018 — BRIO GOLD INC. (TSX: BRIO) (“BRIO GOLD” or the “Company”) announces its first quarter 2018 financial and operating results. *All dollar figures are in U.S. dollars unless otherwise indicated.*

Q1 2018 Summary Financial Results (unaudited)

In thousands of U.S. Dollars	For the three months ended March 31	
	2018	2017
Revenues from mining operations	\$60,947	\$59,499
Mine operating earnings	\$5,161	\$8,527
Net (loss)/earnings	\$(8,730)	\$3,446
Adjusted (loss)/earnings ⁽¹⁾	\$(4,553)	\$3,534
Adjusted EBITDA ⁽¹⁾	8,449	\$14,016
Cash flow from operating activities	\$12,953	\$(4,045)
Cash flow from operating activities before changes in working capital	\$9,635	\$15,486

(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 increased to \$60.9 million in the first quarter of 2018 on the sale of 46,565 ounces of gold compared to \$59.5 million on the sale of 49,615 ounces of gold for the comparable period in 2017. The increase in revenue in the first quarter of 2018 compared to 2017 was driven by a higher gold price as the Company's average realized gold price per ounce sold increased by 10%.

Net loss in the first quarter of 2018 was \$8.7 million or \$0.07 per share, compared to a net income of \$3.4 million or \$0.03 per share for the first quarter of 2017 mainly due to lower mine operating earnings, acquisition transaction related expenses and changes in income tax expense.

The adjusted loss in the first quarter of 2018 was \$4.6 million compared to the adjusted earnings of \$3.5 million in the same period of 2017. The decline in adjusted earnings was consistent with the decline in IFRS net earnings from the first quarter of 2017 to the same period in 2018. The adjusted EBITDA in the first quarter of 2018 was \$8.4 million compared to \$14.0 million in the same period of 2017.

The Company's working capital, defined as the total of all current assets net of current liabilities, declined during the first quarter and was negative \$26.8 million as at March 31, 2018. The decline was due to \$25 million of the Company's credit facility being reclassified from non-current to current during the first quarter as \$25 million are scheduled to mature on January 2019. In addition, the Company received a \$5.4 million advance on metal sales that was used to manage working capital. The gold sales have been subsequently delivered and no additional advances have been received.

On May 2, 2018, Leagold Mining Corporation (“Leagold”) announced that new debt and equity financings have been arranged that is planned to be used to fully repay the \$75 million senior debt credit facility and the drawn amounts of the \$22 million of debt with the Brazilian banks. The repayment is planned to occur

concurrently with the completion of the acquisition of Brio Gold by Leagold, which is expected to be in May 2018.

Q1 2018 Summary Operational Results

Consolidated Operating Statistics	For the three months ended March 31,		
	2018	2017	Change
Gold production (oz.)	46,057	50,540	(9)%
Gold sales (oz.)	46,565	49,615	(6)%
Average realized gold price per ounce sold ⁽¹⁾	\$ 1,328	\$ 1,211	10 %
Cost of sales including depletion, depreciation and amortization per gold	\$ 1,198	\$ 1,027	17 %
Cash cost per gold ounce produced ⁽¹⁾	\$ 991	\$ 842	18 %
All-in sustaining costs per ounce of gold produced ⁽¹⁾	\$ 1,174	\$ 1,056	11 %

Notes:

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

Gold production from the Company's three producing mines was 9% lower during the first quarter of 2018 compared to the same quarter of 2017, but in line with expectation. At Pilar, the first quarter was a transition quarter and production in the first quarter of 2018 was 7,561 ounces lower than 2017 as development at Maria Lazara was halted in late 2017 and production started in the new HG2 zone of the main Pilar mine. The Pilar restructuring is progressing on plan. Gold production at the RDM mine for the first quarter of 2018 was 15% higher than the same period last year as a result of consistent processing and operations compared to the first quarter in 2017. The water storage facility accumulated sufficient water over the past six months to allow for consistent production for the foreseeable future. Production from the Fazenda Brasileiro Mine was 5% higher than the same period last year.

Overall costs were higher during the first quarter of 2018 compared to the same period of 2017, but in line with guidance. Higher costs were primarily as a result of the higher costs at Pilar due to lower production causing increased costs per ounce as the fixed component of production costs was allocated over fewer ounces.

Acquisition Update

On February 16, 2018, the Company announced a plan of arrangement (the "Arrangement") with Leagold Mining Corporation ("Leagold"), whereby Leagold will acquire all of the issued and outstanding shares of Brio Gold pursuant to the arrangement agreement dated February 15, 2018. The Company held a special meeting of shareholders held on April 12, 2018, where the special resolution approving the Arrangement was approved by 99.99% of the votes cast. On April 17, 2018, the Company obtained a final order from the Ontario Superior Court of Justice approving the Arrangement. On closing of the Arrangement, Brio Gold shareholders will receive, for each Brio Gold common share held, 0.922 of a Leagold common share and 0.4 of a Leagold share purchase warrant, with each full share purchase warrant being exercisable to acquire one common share of Leagold at a price of CAD \$3.70 for a period of two years from the closing

of the Arrangement. Subject to the receipt of all approvals, the Arrangement is expected to be completed in May of 2018.

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. Assumptions upon which forward looking statements relating to the acquisition of Brio Gold by Leagold have been made include that Leagold and Brio Gold will be able to satisfy the conditions in the plan of arrangement (the "Arrangement"), that all required regulatory and government approvals will be obtained and the expected timing of the closing of the Arrangement. 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 March 31, 2018

(In thousands of U.S. dollars, except per share and per ounce amounts)	Consolidated	Fazenda		RDM Mine
		Pilar Mine	Brasileiro Mine	
Cost of sales including depletion, depreciation and amortization	55,786	18,865	16,457	20,322
Depletion, depreciation and amortization	(8,304)	(4,629)	(2,723)	(810)
Adjustments:				
Inventory movement and adjustments	(1,840)	406	295	(2,525)
Cash costs ⁽¹⁾	45,642	14,642	14,029	16,987
General and administrative expenses attributable to all-in sustaining	3,228	275	267	185
Sustaining capital expenditures	5,201	3,421	1,094	532
All-in sustaining costs ⁽¹⁾	54,071	18,338	15,390	17,704
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,198	1,459	1,025	1,156
Cash cost per gold ounce produced ⁽¹⁾	991	1,133	897	971
All-in sustaining costs per ounce produced ⁽¹⁾	1,174	1,419	984	1,012
Gold ounces produced during the period (oz.)	46,057	12,923	15,640	17,494

For the three months ended March 31, 2017

(In thousands of U.S. dollars, except per share and per ounce amounts)	Consolidated	Pilar Mine	Fazenda	RDM Mine
			Brasileiro Mine	
Cost of sales including depletion, depreciation and amortization	50,972	22,803	11,502	16,667
Depletion, depreciation and amortization	(10,654)	(6,920)	(1,641)	(2,093)
Adjustments:				
Inventory movement and adjustments	2,237	258	1,932	63
Cash costs ⁽¹⁾	42,555	16,141	11,793	14,637
General and administrative expenses attributable to all-in sustaining costs	3,420	573	569	322
Sustaining capital expenditures	7,395	3,770	3,090	301
All-in sustaining costs ⁽¹⁾	53,370	20,484	15,452	15,260
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,027	1,114	831	1,089
Cash cost per gold ounce produced ⁽¹⁾	842	788	793	964
All-in sustaining costs per ounce produced ⁽¹⁾	1,056	1,000	1,039	1,005
Gold ounces produced during the period (oz.)	50,540	20,484	14,872	15,184
Gold ounces sold during the period (oz.)	49,615	20,465	13,849	15,301

Notes:

(1) A non-GAAP financial measure.

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)/Earnings to Adjusted EBITDA

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

(In thousands of U.S. dollars)	For the three months ended	
	March 31, 2018	2017
Net (loss)/earnings	(8,730)	3,446
Adjustments:		
Income tax expense/(recovery)	637	(7,847)
Depletion, depreciation and amortization	8,304	10,654
Foreign exchange loss	776	1,257
Accretion	878	1,153
Bank, financing fees, and other	600	185
Interest expense on long-term debt	1,241	144
Provisions/(recoveries) on indirect tax credits	459	(3,031)
Stock based compensation	220	1,742
Unrealized (gain)/loss on foreign exchange hedges	(746)	5,300
Legal provisions	743	165
Business transaction costs	4,067	848
Adjusted EBITDA	\$ 8,449	\$ 14,016

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)/Earnings to Adjusted (Loss)/Earnings

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

(In thousands of U.S. dollars)	For the three months ended	
	March 31.	
	2018	2017
Net (loss)/earnings	\$ (8,730)	\$ 3,446
Adjustments:		
Foreign exchange loss	776	1,257
Unrealized (gain)/loss on foreign exchange hedges	(746)	5,300
Provisions/(recoveries) on indirect tax credits	459	(3,031)
Business transaction costs	4,067	848
Stock based compensation	220	1,742
Non-cash tax effect on unrealized foreign exchange losses	(1,101)	(9,337)
Tax impact of adjustments	(583)	1,418
Other	1,085	1,891
Adjusted (loss)/earnings	\$ (4,553)	\$ 3,534

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)*

(In thousands of U.S. dollars, except price per ounce in dollars and ounces sold)	For the three months ended March 31,	
	2018	2017
Revenue from mining operations	\$ 60,947	\$ 59,499
Brazilian mining royalty (CFEM)	907	596
Revenue from mining operations excluding CFEM	61,854	60,095
Gold ounces sold during the period (oz.)	46,565	49,615
Realized price per gold ounce sold (\$/oz.)	\$ 1,328	\$ 1,211

BRIO GOLD INC.
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND
COMPREHENSIVE (LOSS)/INCOME**

	For the three months ended March 31,	
<i>(In thousands of United States Dollars, except share and per share amounts), (unaudited)</i>	2018	2017
Revenue from mining operations	\$ 60,947	\$ 59,499
Cost of sales excluding depletion, depreciation and amortization	(47,482)	(40,318)
Gross margin excluding depletion, depreciation and amortization	13,465	19,181
Depletion, depreciation and amortization	(8,304)	(10,654)
Mine operating earnings	5,161	8,527
Expenses		
General and administrative	(5,125)	(5,065)
Other operating (expense)/income	(5,380)	176
Operating (loss)/earnings	(5,344)	3,638
Foreign exchange loss	(776)	(1,257)
Unrealized gain/(loss) on foreign exchange hedges	746	(5,300)
Finance expense	(2,719)	(1,482)
Loss before income taxes	(8,093)	(4,401)
Income tax (expense)/recovery	(637)	7,847
Net (loss)/earnings	(8,730)	3,446
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of hedging instruments, net of tax	1,639	14,997
Total comprehensive (loss)/income	\$ (7,091)	\$ 18,443
Net (loss)/earnings per share (basic and diluted)	\$ (0.07)	\$ 0.03
Weighted average number of shares outstanding		
Basic	117,556,100	112,527,429
Diluted	117,556,100	118,449,925

BRIO GOLD INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

<i>(In thousands of United States Dollars), (unaudited)</i>	As at March 31, 2018	As at December 31, 2017
Assets		
Current assets:		
Cash	\$ 17,544	\$ 19,281
Trade and other receivables	5,318	4,398
Inventories	38,177	40,560
Derivative assets	6,401	5,969
Other current assets	14,510	13,584
	81,950	83,792
Non-current assets:		
Property, plant and equipment	519,500	514,103
Non-current derivative assets	1,508	778
Deferred tax assets	7,567	7,447
Other non-current assets	4,735	5,835
Total assets	\$ 615,260	\$ 611,955
Liabilities		
Current liabilities:		
Trade and other payables	\$ 51,575	\$ 50,925
Income taxes payable	3,892	3,433
Short-term debt	42,265	13,663
Other financial liabilities	3,900	3,631
Other provisions and liabilities	7,069	2,465
	108,701	74,117
Non-current liabilities:		
Long-term debt	47,808	72,600
Decommissioning, restoration and similar liabilities	37,226	36,884
Deferred tax liabilities	5,588	5,588
Derivative liabilities	—	1,315
Other non-current provisions and liabilities	11,262	9,997
Total liabilities	210,585	200,501
Equity		
Share capital	441,069	440,975
Reserves	69,078	67,220
Deficit	(105,472)	(96,741)
Total equity	404,675	411,454
Total equity and liabilities	\$ 615,260	\$ 611,955

BRIO GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

	For the three months ended March 31,	
<i>(In thousands of United States Dollars), (unaudited)</i>	2018	2017
Operating activities		
Loss before income tax expense	\$ (8,093)	\$ (4,401)
Adjustments to reconcile loss before income taxes to operating cash flows:		
Depletion, depreciation and amortization	8,304	10,654
Foreign exchange loss	776	1,257
Unrealized (gain)/loss on hedges	(746)	5,300
Finance expense	2,719	1,482
Other non-cash operating expenses/(income)	1,701	(2,739)
Advance metal sales	5,350	4,425
Decommissioning, restoration and similar liabilities paid	(118)	(404)
Income taxes paid	(258)	(88)
Cash flows from operating activities before net change in working capital	\$ 9,635	\$ 15,486
Net change in working capital	3,318	(19,531)
Cash flows from operating activities	\$ 12,953	\$ (4,045)
Investing activities		
Property, plant and equipment expenditures	(16,814)	(18,811)
Cash flows used in investing activities	\$ (16,814)	\$ (18,811)
Financing activities		
Proceeds from debt	\$ 6,500	\$ 35,000
Repayments of debt	(3,000)	—
Interest and other finance expenses paid	(1,324)	(2,075)
Cash flows from financing activities	\$ 2,176	\$ 32,925
Effect of foreign exchange on cash	(52)	(475)
(Decrease)/increase in cash	\$ (1,737)	\$ 9,594
Cash, beginning of period	\$ 19,281	\$ 7,014
Cash, end of period	\$ 17,544	\$ 16,608