MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is prepared as of September 30, 2017 and is intended to assist readers in understanding the financial performance and financial condition of Brio Gold Inc. ("Brio Gold" or the "Company") as at and for the three and nine months period ended September 30, 2017, and should be read in conjunction with the Condensed Consolidated Interim Financial Statements and the accompanying notes of Brio Gold for the three and nine months ended September 30, 2017.

Cautionary Statement Regarding Forward-Looking Information

This Management's Discussion and Analysis 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

This discussion makes references to "cash costs", "all-in sustaining costs" also referred to as "AISC", "Adjusted earnings or loss" and "Adjusted EBITDA" which are measures that do not have any standardized meaning as prescribed by IFRS. The term IFRS and generally accepted accounting principles ("GAAP") are used interchangeably throughout this MD&A. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the Company's underlying performance. 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. See "Non-GAAP financial measures" below for:

- cash costs consolidated and per mine, including on a per ounce basis, and all-in sustaining costs consolidated, including on a per ounce basis;
- quarterly trailing cash costs consolidated and per mine, including on a per ounce basis;
- Adjusted EBITDA; and
- Adjusted Earnings or Loss;

Overview

Brio Gold Inc. (TSX: BRIO) is a Canadian mining company with significant gold producing, development and exploration stage properties in Brazil. The Company was formed in 2014 by Yamana Gold Inc. ("Yamana") to monetize its investment in certain assets in Brazil, including the Fazenda Brasileiro Mine, the Pilar Mine and the Santa Luz Mine and related exploration rights, all of which were contributed by Yamana to the Company. On April 29, 2016, Brio Gold completed the acquisition of Mineração Riacho dos Machados ("MRDM"), the owner of the RDM Mine in Minas Gerais, Brazil in connection with a restructuring of Carpathian Gold Inc. On December 23, 2016, Brio Gold became a standalone public company. Yamana continues to be a significant shareholder of Brio Gold, holding approximately 56% of the issued and outstanding shares as at September 30, 2017.

The Company is committed to becoming the next leading, mid-tier gold producer focused on growth in the Americas. The Company's goal is to deliver superior shareholder value through organic growth, exploration, selective industry consolidation and its commitment to socially responsible practices within the communities in which it operates. The Company intends to continue to optimize its operations to deliver reliable, consistent and sustainable performance over the life of its mining operations. The Company's focus will be on the production of high margin gold ounces combined with a disciplined approach to cost containment and capital spending along with a commitment to value creation.

Quarterly Highlights

Operating Performance

		For the three months ended			
Consolidated Operating Statistics		**Q3 2017**		**Q3 2016**	**Change**
Gold production (oz.)		42,913		46,076	(7)%
Gold sales (oz.)		43,228		46,808	(8)%
Average realized gold price per ounce sold(1)	$	1,267	$	1,309	(3)%
Cost of sales including depletion, depreciation and amortization per gold ounce sold	$	1,160	$	1,132	2 %
Cash cost per gold ounce produced(1)	$	876	$	813	8 %
All-in sustaining costs per ounce of gold produced(1)	$	1,228	$	1,157	6 %

Notes:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" 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.

Production during the third quarter from the Company's three producing mines was lower than the comparative quarter of 2016. At Fazenda Brasileiro, third quarter production in 2017 was 7% lower than the same period last year primarily due to lower feed grades. 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. 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 Pilar mine, lower overall grade was a result of increased production from the lower grade Maria Lazara deposit and increased development tonnes at the main Pilar Mine which led to increased overall dilution.

Tonnes mined and processed were either in-line with or exceeded plan for all the operating mines except for the RDM mine, but the lower feed grades increased the per ounce costs during the quarter.

Financial Performance

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

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.

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.

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.

Corporate Update

As at October 30, 2017, the Company has secured $22 million in credit facilities with three major Brazilian banks as part of an Advance on Export Exchange Contracts program ("ACC"). These arrangements are subject to an average interest rate of approximately 4% per annum. 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 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 will be purchased and gold calls will be sold with average put and call strike prices of $1,300 and $1,340 per ounce sold, 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.

Subsequent to the end of the third quarter, 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. For 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.

Outlook

The Company's 2017 production and cost guidance, as previously announced, is provided below. Production for RDM assumes operations will re-start mid-November with the commencement of the rainy season. Cost guidance was adjusted to reflect a stronger effective foreign exchange rate realized to date as well as year to date higher costs at Fazenda Brasileiro and Pilar due to lower grade in the first three quarters of 2017. Brio Gold expects both grade and costs to improve at both operations in the fourth quarter.

Production (oz)	**Prior Guidance**	**2017E**
Pilar Mine	83,000 - 88,000	78,000 - 83,000
Fazenda Brasileiro Mine	65,000 - 70,000	60,000 - 65,000
RDM Mine	50,000 - 65,000	45,000 - 50,000
Consolidated Brio Gold	**198,000 - 223,000**	**183,000 - 198,000**
Cash Costs (1)	**Prior Guidance**	**2017E**
Pilar Mine	$740 - $760	$810 - $820
Fazenda Brasileiro Mine	$740 - $760	$855 - $865
RDM Mine	$900 - $920	$955 - $965
Consolidated Brio Gold	**$785 - $805**	**$860 - $870**
AISC (1)	**Prior Guidance**	**2017E**
Pilar Mine	$940 - $960	$1,005 - $1,015
Fazenda Brasileiro Mine	$910 - $930	$1,020 - $1,030
RDM Mine	$930 - $950	$1,110 - $1,120
Mine Site AISC	**$928 - $948**	**$1,035 - $1,040**
Consolidated Brio Gold	**$995 - $1,015**	**$1,115 - $1,125**

Notes:

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

Financial Results

(In thousands of U.S. dollars, except share and per share amounts)	For the three months ended September 30,		For the nine months ended September 30,	
Income Statement Overview	**2017**	**2016**	**2017**	**2016**
Revenues from mining operations	$ 54,126	$ 60,559	$ 166,478	$ 172,846
Cost of sales excluding depletion, depreciation and amortization	(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**
Other expenses	(12,773)	(16,020)	(34,467)	(42,107)
(Loss)/earnings 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**
Total comprehensive (loss)/income	**$ (109)**	**$ (15,534)**	**$ (2,234)**	**$ 5,255**
Summary of Key Financial Statistics				
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
Adjusted (loss)/earnings[(1)]	$ (6,752)	$ (6,686)	$ (7,819)	$ (3,137)
Adjusted (loss)/earnings per share[(1)]	$ (0.07)	$ (0.27)	$ (0.08)	$ (0.13)
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 activity before changes in working capital	$ 10,902	$ 15,506	$ 30,616	$ 50,446
Weighted average number of common shares - basic	112,527,429	24,467,689	112,527,429	23,824,918
Weighted average number of common shares - diluted	112,527,429	24,467,689	112,527,429	25,341,058

Note:
(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of net earnings to Adjusted earnings and Adjusted EBITDA.

Balance Sheet Overview	**As at September 30, 2017**	**As at December 31, 2016**
Cash	$ 9,698	$ 7,014
Working capital	$ 30,444	$ (14,828)
Total assets	$ 606,839	$ 541,699
Total liabilities	$ 180,648	$ 118,907
Total equity	$ 426,191	$ 422,792

Revenues from mining operations were $54.1 million in the third quarter of 2017 on the sale of 42,913 ounces of gold compared to $60.6 million on the sale of 46,076 ounces of gold for the comparable period in 2016. Revenues from mining operations were $166.5 million for the nine months ended September 30, 2017, compared to $172.8 million for the comparable period in 2016.

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 has been excluded from the calculation of adjusted earnings. For the nine months ended September 30, 2017, net loss was $15.0 million or $0.13 per share compared to net earnings of $5.3 million or $0.22 per share for the same period in 2016. Overall net earnings were lower due to the changes in mine operating earnings discussed above, and a lower income tax recovery as a result of the non-cash effect on unrealized foreign exchange, which is excluded from the calculation of adjusted earnings.

The adjusted loss in the third quarter of 2017 was $6.8, unchanged when compared to a loss of $6.7 million in the same period of 2016 as lower revenue was offset by a reduction to depreciation expense and income tax expense. For the nine months ended September 30, 2017, the adjusted loss was $7.8 million compared to a loss of $3.1 million in the same period of 2016.

The adjusted EBITDA in the third quarter of 2017 was $9.7 million compared to $13.0 million in the same period of 2016. For the nine months ended September 30, 2017, the adjusted EBITDA was $29.1 million compared to $45.3 million in the same period of 2016.

Operating Statistics

	For the three months ended September 30,			For the nine months ended September 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Gold production (oz.)(1)						
Pilar	19,045	20,237	(6)%	59,816	64,891	(8)%
Fazenda Brasileiro	15,915	17,211	(8)%	44,879	52,608	(15)%
RDM	7,953	8,628	(8)%	32,981	21,686	52 %
Total gold production	**42,913**	**46,076**	**(7)%**	**137,676**	**139,185**	**(1)%**
Gold sales (oz.)(1)						
Pilar	18,444	20,656	(11)%	58,702	64,289	(9)%
Fazenda Brasileiro	16,658	17,100	(3)%	43,283	54,408	(20)%
RDM	8,126	9,052	(10)%	33,549	21,706	55 %
Total gold sales	**43,228**	**46,808**	**(8)%**	**135,534**	**140,403**	**(3)%**
Cost of sales including depletion, depreciation and amortization per gold oz sold (1)						
Pilar	$ 1,212	$ 1,152	5 %	$ 1,123	$ 1,023	10 %
Fazenda Brasileiro	1,152	998	15 %	1,161	901	29 %
RDM	1,046	1,342	(22)%	1,078	1,189	(9)%
Cost of sales including depletion, depreciation and amortization per gold oz sold	**$ 1,160**	**$ 1,132**	**2 %**	**$ 1,124**	**$ 1,001**	**12 %**
Cash cost per gold ounce produced(1,2)						
Pilar	$ 845	$ 791	7 %	$ 820	$ 698	17 %
Fazenda Brasileiro	943	751	26 %	877	667	31 %
RDM	815	986	(17)%	900	878	3 %
Total cash cost per gold ounce produced	**$ 876**	**$ 813**	**8 %**	**$ 858**	**$ 714**	**20 %**
All-in sustaining costs per ounce of gold produced(1,2)						
Pilar	$ 1,085	$ 1,067	2 %	$ 1,035	$ 884	17 %
Fazenda Brasileiro	1,158	1,039	11 %	1,055	883	19 %
RDM	1,241	1,174	6 %	1,022	999	2 %
Total mine all-in sustaining costs per ounce of gold produced	**$ 1,141**	**$ 1,077**	**6 %**	**$ 1,038**	**$ 897**	**16 %**
Consolidated all-in sustaining costs per ounce of gold 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.

(2) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" 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.

Pilar Mine

Operating Statistics	For the three months ended September 30, 2017	2016	Change	For the nine months ended September 30, 2017	2016	Change
Gold production (oz.)	**19,045**	20,237	(6)%	**59,816**	64,891	(8)%
Gold Sales (oz.)	**18,444**	20,656	(11)%	**58,702**	64,289	(9)%
Cost of sales including depletion, depreciation and amortization per gold ounce sold	**$ 1,212**	$ 1,152	5 %	**$ 1,123**	$ 1,023	10 %
Cash cost per gold ounce produced(1)	**$ 845**	$ 791	7 %	**$ 820**	$ 698	17 %
All-in sustaining costs per ounce of gold produced(1)	**$ 1,085**	$ 1,067	2 %	**$ 1,035**	$ 884	17 %
Ore mined (tonnes)	**349,171**	280,235	25 %	**941,873**	870,243	8 %
Ore processed (tonnes)	**349,865**	277,738	26 %	**943,456**	864,677	9 %
Gold feed grade (g/t)	**1.81**	2.37	(24)%	**2.07**	2.45	(16)%
Gold recovery rate (%)	**93.3%**	95.5%	(2)%	**95.3%**	95.4%	— %

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" 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.

Gold production and sales at the Pilar Mine for the third quarter were lower than the comparative period of 2016, with gold production being 6% lower. 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.

Overall costs for the third quarter were higher than the comparative period of 2016 due to lower production causing increased costs per ounce as the fixed component of production costs was allocated over fewer ounces. Similarly, for the nine months ended September 30, 2017, costs were higher due to lower production, and due to the strengthening of the Brazilian real against the U.S. dollar.

Fazenda Brasileiro Mine

Operating Statistics	For the three months ended September 30, 2017	2016	Change	For the nine months ended September 30, 2017	2016	Change
Gold production (oz.)	**15,915**	17,211	(8)%	**44,879**	52,608	(15)%
Gold Sales (oz.)	**16,658**	17,100	(3)%	**43,283**	54,408	(20)%
Cost of sales including depletion, depreciation and amortization including per gold ounce sold	**$ 1,152**	$ 998	15 %	**$ 1,161**	$ 901	29 %
Cash cost per gold ounce produced(1)	**$ 943**	$ 751	26 %	**$ 877**	$ 667	31 %
All-in sustaining costs per ounce of gold produced(1)	**$ 1,158**	$ 1,039	11 %	**$ 1,055**	$ 883	19 %
Ore mined (tonnes)	**314,002**	331,994	(5)%	**917,756**	912,432	1 %
Ore processed (tonnes)	**347,140**	321,683	8 %	**958,875**	931,232	3 %
Gold feed grade (g/t)	**1.59**	1.88	(15)%	**1.62**	2.01	(19)%
Gold recovery rate (%)	**89.9%**	88.5%	1 %	**89.8%**	88.0%	2 %

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" 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.

At Fazenda Brasileiro, third quarter production was 15,915 ounces, 8% lower than the same period of 2016 as a result of lower grades as a result of mine sequencing, partially offset by higher tonnes processed. Feed grade significantly improved month-over-month within the quarter and the Company expects grade to continue to show improvements in the fourth quarter. To reflect actual production to date, the Company expects production at Fazenda Brasileiro to be 60,000 to 65,000 ounces for 2017.

During the third quarter, overall costs per gold ounce produced were higher than the same period in 2016. Grade, as discussed above, was the main contributor to higher costs on a per ounce basis, since a large portion of operating costs are fixed. Similarly for the nine months ended September 30, 2017, costs were higher due to a combination of lower production, and the strengthening of the Brazilian real against the U.S. dollar.

RDM Mine

	For the three months ended September 30,			For the nine months ended September 30,		
Operating Statistics	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Gold production (oz.)[1]	**7,953**	8,628	(8)%	**32,981**	21,686	52 %
Gold Sales (oz.)	**8,126**	9,052	(10)%	**33,549**	21,706	55 %
Cost of sales including depletion, depreciation and amortization per gold ounce sold	**$ 1,046**	$ 1,342	(22)%	**$ 1,078**	$ 1,189	(9)%
Cash cost per gold ounce produced[2]	**$ 815**	$ 986	(17)%	**$ 900**	$ 878	3 %
All-in sustaining costs per ounce of gold produced[2]	**$ 1,241**	$ 1,174	6 %	**$ 1,022**	$ 999	2 %
Ore mined (tonnes)	**487,841**	282,304	73 %	**1,333,699**	703,309	90 %
Ore processed (tonnes)	**255,826**	264,586	(3)%	**998,921**	558,629	79 %
Gold feed grade (g/t)	**1.07**	1.40	(24)%	**1.17**	1.56	(25)%
Gold recovery rate (%)	**84.1%**	72.4%	16 %	**86.0%**	77.4%	11 %

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*" 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.

During the third quarter, the RDM mine produced 8% lower gold ounces compared to the same period largely due to the mine being 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. Production in the quarter was also impacted by lower grade, partially offset by higher gold recovery. Year to date, RDM was on care and maintenance for 92 days. As a result, the Company expects production for 2017 at RDM to be 45,000 to 50,000 ounces of gold. At the end of October, the rainy season commenced and the Company is in the process of re-starting operations. A stockpile has been built up in the third quarter to provide process flexibility for when the mine resumes production.

Cash cost per gold ounce produced decreased 17% during the third quarter due to processing of stockpile that was built up by the end of the second quarter. In addition, mining costs decreased as a result of ending a mining service contract in the second quarter and switching to in-house mining until a new mining service agreement commences in the fourth quarter. The cash cost per gold ounce produced for the nine months ended September 30, 2017 remained relatively unchanged.

All-in sustaining costs were $1,241 per ounce of gold produced in the third quarter of 2017, compared to $1,174 per ounce of gold produced in the same quarter of 2016. The increase is largely due to the purchase of mining equipment for approximately $3 million, which was financed through the utilization of tax credits. No further mining equipment purchases are expected once the new mining service agreement begins in the fourth quarter. For the nine months ended September 30, 2017, all-in sustaining costs remained relative unchanged when compared the same period of 2016.

Exploration

The 2017 exploration program is focused on enhancing and creating further value at existing operations. The Company spent $1.6 million on exploration activities in the quarter, and $5.5 million so far in 2017, in-line with plan. Brio Gold's third quarter exploration program included completing 11,255 metres of drilling in a total of 216 holes.

Fazenda Brasileiro Mine

During the third quarter, 5,710 metres of drilling was completed for a total of 201 holes. Drilling was focused on in-mine development areas, particularly the Canto Sequence with medium and long-term potential. Results continued to be positive from the Canto Zone, which is a mineralized horizon in the footwall of the historic production areas. Near-mine exploration from the surface was successful in intercepting good intervals in the current Canto and previous Pau-A-Pique open pit areas.

Pilar Mine

Mine drilling focused on a combination of in-mine definition drilling and off-mine drilling of the Tres Buracos deposit. Preliminary results for Tres Buracos are overall positive, indicating expansion of the mineralization down-dip. At Pilar, a total of 5,545 metres was drilled for a total of 15 holes.

Santa Luz Mine

On September 5, 2017, the Company released an updated mineral reserve and resource estimate for Santa Luz, which demonstrated a larger mineral reserve. The mineral reserve and resource estimate incorporated the results from a drilling program which started in December 2016 and completed in March 2017 and included 4,200 metres of drilling from a total of 37 core holes. The drilling program was largely focused on detailing and expanding a north-west trending zone of high-grade gold mineralization in the north-eastern portion of the C1 open pit orebody and localized infill drilling in both the C1 and Antas 3 orebodies, with the results contributing to a larger mineral reserve. The company is currently working on a new mineral reserve and resource estimate for the underground deposit at Santa Luz and intends to provide an updated mineral reserve and resource estimate by the end of 2017.

RDM Mine

At RDM, Brio Gold commenced preparations for a 3,800 metre drill program planned for the fourth quarter of 2017. The program is focused on better defining the mineralization down dip along the Riacho mineralized zone both for open pit and underground mining.

Development Update

Santa Luz Mine

The Company has reduced planned expenditures at the Santa Luz project over the next six months to manage its cash spend on the project as the RDM Mine powerline is being completed and that mine is brought to full production at significantly reduced cash cost. As a result, the Santa Luz project is now planned to be re-commissioned in December 2018 as opposed to June 2018 as originally scheduled. Brio Gold does not anticipate an increase in overall project costs due to this deferral. Project construction activities currently underway on site will continue but will be limited to day shift only. This deferral will allow the Company to fund the construction of Santa Luz with reduced debt compared to the original schedule as it will be able to increase funding from its operating cash flow.

During the third quarter, detailed construction engineering continued along with the village relocation construction, with approximate 35% of the work completed. A total of $4.7 million was spent in the quarter for the purchase of key items and $6.5 million has been spent on the project for the nine months ending September 30, 2017.

RDM Mine

Construction of the powerline commenced at the beginning of the third quarter of 2017 and the Company is targeting to commission the new grid connected power line in Q2 2018. The power line will replace the current lower capacity diesel power generators, which is expected to reduce costs, improve grind/recovery and expand mill throughput. The connection to low cost grid power will complete the plant expansion to an operating capacity of 9,000 tonnes per day from 7,000 tonnes per day.

Liquidity, Capital Resources, and Contractual Commitments

Liquidity

The Company continues to focus on containing costs to maximize available cash to fund planned growth, development activities, expenditures and commitments. Management is of the view that planned growth, development activities, expenditures and commitments will be largely funded by future operating cash flows, the Company’s remaining available balance on its revolving three-year $75 million senior debt Credit Facility (the "Credit Facility"), its $22 million credit facilities with Brazilian banks and additional funding alternatives currently under discussion.

Cash as at September 30, 2017 was $9.7 million compared to $7.0 million as at December 31, 2016. The Company had working capital of $30.4 million as at September 30, 2017 compared to a working capital deficit of $14.8 million at December 31, 2016. The Company's working capital changed from a deficit to a surplus as a result of entering into the Credit Facility to provide for short-term liquidity in addition to assisting in funding the Company's capital expenditure program. The Company made drawdowns of $62.5 million during the nine months ended September 30, 2017, which helped increase cash and reduce trade payables. As at October 30, 2017, the Company has secured $22 million in credit facilities with three major Brazilian banks. The Company plans to utilize these credit facilities for working capital purposes at its operations.

Should various unexpected factors or events arise that reduce the ability of the Company to generate sufficient cash flow from operations in the short term to finance on-going operations and necessary sustaining capital expenditures, management is confident that the overall quality of the Company's operations and the quantity of the Company's Mineral Reserves and Mineral Resources will enable the Company to raise funds through debt financings, additional equity, quasi-equity, or other opportunities. In addition, the Company has the flexibility to reduce planned capital spending. The forecast capital expenditure of approximately $80-85 million for the Santa Luz Mine is the Company's largest planned use of capital. The Company has reduced planned expenditures at the Santa Luz project over the next six months and now plans on re-commissioning the operation in December 2018.

Current contractual commitments required to be paid within the next year are $106.6 million. See "*Contractual Commitments*".

Cash Flows

The Company's three operating mines provide a diverse source of cash flow, sufficient to maintain the Company's liquidity. 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 gold ounces sold and higher working capital. Accounts receivables from metal sales increased during the current quarter due to the timing of the shipments and are expected to be collected in the fourth quarter of 2017. In addition working capital increased due to higher ore stockpile at the RDM mine of approximately $2.5 million that is expected to be processed in the fourth quarter of 2017. Cash flow from operating activities after changes in working capital for the nine months ended September 30, 2017 was an inflow of $0.3 million, compared to an inflow of $38.9 million in the same period of 2016 primarily due to the Company reducing accounts payable balance during the first three quarters of 2017.

Cash flow from financing activities during the three months ended September 30, 2017 were $12.9 million, primarily related to a drawdown of $12.5 million on the Credit Facility, net of financing related costs. The Company has completed drawdowns of $62.5 million on its Credit Facility so far this year, and has a $12.5 million of available credit remaining.

Cash flow used in investing activities were outflows of $21.4 million for the three months ended September 30, 2017, compared to cash outflows of $16.2 million for the comparative period in 2016. The expenditures were incurred as follows:

	For the three months ended September 30,				
	2017				2016
(In thousands of U.S. dollars)	**Sustaining**	**Expansionary**	**Exploration**	**Total**	**Total**
Pilar	$ 4,472	$ 2,142	$ 890	**$ 7,504**	$ 7,594
Fazenda Brasileiro	3,336	806	657	**4,799**	5,918
RDM	3,285	620	30	**3,935**	2,490
Santa Luz	—	4,670	32	**4,702**	222
Other Brio Entities	430	—	—	**430**	—
Total	**$ 11,523**	**$ 8,238**	**$ 1,609**	**$ 21,370**	$ 16,224

	For the nine months ended September 30,				
	2017				2016
(In thousands of U.S. dollars)	Sustaining	Expansionary	Exploration	Total	Total
Pilar	$ 11,988	$ 6,059	$ 3,137	**$ 21,184**	$ 18,719
Fazenda Brasileiro	7,311	3,432	1,242	**11,985**	14,590
RDM	3,611	10,857	150	**14,618**	4,584
Santa Luz	—	5,529	984	**6,513**	2,457
Other Brio Entities	1,614	—	—	**1,614**	—
Total	**$ 24,524**	**$ 25,877**	**$ 5,513**	**$ 55,914**	$ 40,350

Capital Resources

The Company's $75 million Credit Facility, provides for short-term liquidity in addition to assisting in funding the Company’s capital expenditure program. The Credit Facility contains certain non-financial, negative and reporting covenants, in addition to financial covenants requiring that the Company maintain minimum levels of tangible net worth, liquidity and interest coverage, and a maximum level of total debt to EBITDA. Subsequent to the quarter end, the Company secured $22 million in credit facilities with three large Brazilian banks, which Brio Gold plans to utilize for working capital purposes.

The Company continues to focus on containing costs to maximize available cash to fund current operations, planned growth, development activities, expenditures, and commitments. Management is of the view that in order to finance the Santa Luz project, and the construction of the power line and sub stations at the RDM mine, an additional source of financing will be required. The Company is currently evaluating various non-dilutive financing alternatives, including increasing its current $75 million corporate credit facility and direct project financing for recommissioning the Santa Luz Mine.

Contractual Commitments

Day-to-day mining, sustaining and expansionary capital expenditures as well as administrative operations give rise to contracts requiring agreed upon future minimum payments. These commitments are largely related to power supply contracts, contract mining contractors and maintenance and service contractors retained to assist in the Company’s mining and processing operations. The Company's debt repayment obligations are due in 2019, however the Company will, from time to time, repay balances outstanding on its revolving Credit Facility and intends to renew such facility prior to its maturity in 2019. The Company’s management is of the view that such commitments will be met from future operating cash flows, and if necessary, from usage of the Credit Facility.

As at September 30, 2017 (In millions of U.S. dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Mine operating/construction and service contracts and other	$ 104.7	$ 113.0	$ 45.8	$ 0.2	$ 263.7
Debt repayment	—	62.5	—	—	62.5
Decommissioning, restoration and similar liabilities (undiscounted)	1.9	5.8	6.0	24.5	38.2
Total	**$ 106.6**	**$ 181.3**	**$ 51.8**	**$ 24.7**	**$ 364.4**

Off-Balance Sheet Arrangements

As of September 30, 2017, the Company does not have any material off-balance sheet arrangements.

Contingencies

Due to the size, complexity, and nature of the Company’s operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. The Company’s management is of the opinion that these matters will not have a material effect on the Company’s financial statements.

Critical Accounting Policies

The Company's Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34"). The significant accounting policies applied and recent accounting pronouncements are described in Note 3 and Note 5 to the Company's Consolidated Annual Financial Statements for the year ended December 31, 2016 and in Note 1 to the Company's Condensed Consolidated Interim Financial Statements.

In preparing the Consolidated Annual Financial Statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period end. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's Condensed Consolidated Interim Financial Statements. Actual future outcomes may differ from present estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the three and nine months ended September 30, 2017 are the same as those disclosed in Note 4 to the Company's Annual Audited Consolidated Financial Statements for the year ended December 31, 2016.

Quantitative and Qualitative Disclosures about Market Risk

Currency Risk

The Company’s functional currency is the U.S. dollar and its gold sales are predominantly denominated in U.S. dollars, whereas a significant portion of the Company’s operating costs and capital expenditures and certain of the Company’s monetary assets are denominated in foreign currencies, predominately the Brazilian real. Consequently, the Company is exposed to currency fluctuations relative to the U.S. dollar. Potential currency fluctuations could have a significant impact on the Company’s business, financial condition and results of operations.

The Company's analysis shows that a 10% strengthening of the Brazilian real would result in a $1.1 million reduction in net earnings before tax for the three months ended September 30, 2017 and a $3.7 million reduction in the net earnings before tax for the same period in 2016.

Both the Canadian dollar and Brazilian real were stronger against the U.S. dollar on average during the third quarter of 2017 versus the same period of 2016. The U.S. Federal Reserve opted not to increase the Fed Funds rate in September 2017, however market forecast consensus indicates that there could be one additional increase of 0.25% before in the end of 2017. The U.S. economy saw a stable growth through the first two quarters of the year. The full impact of hurricane damage to the third quarter growth are still to be reported, however growth in the fourth quarter is expected to resume with rebuild and recovery efforts supporting projected inflation targets and a rate increase.

For the three months ended September 30,	**2017**	**2016**	**Variance**
Average exchange rate			
US$-C$	1.253	1.304	(4)%
US$-R$	3.164	3.246	(3)%

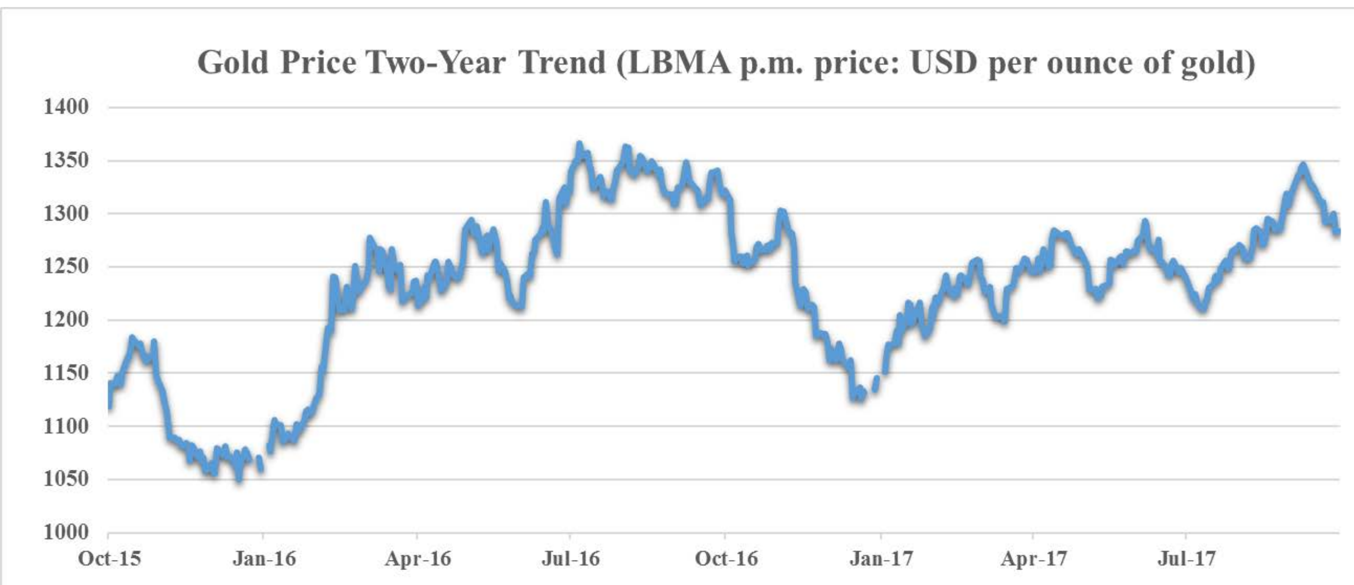
For the nine months ended September 30,	**2017**	**2016**	**Variance**
Average exchange rate			
US$-C$	1.307	1.322	(1)%
US$-R$	3.175	3.545	(10)%

Exchange rate as at September 30,	**2017**	**2016**	**Variance**
US$-C$	1.241	1.316	(6)%
US$-R$	3.168	3.130	1 %

The Company has put hedging arrangements in place for 2017 and 2018 covering R$672 million of forward rate contracts at a rate of R$3.55 to US$1.00 and $672 million of zero-cost collars with average call and put strike prices of R$3.30 and R$3.90, respectively. These hedges are expected to reduce risk in respect of the Company’s Brazilian cost structure during 2017 and 2018. The net realized gains from these hedges for the three and nine months ended September 30, 2017 is $4.0 million and $11.6 million respectively. Subsequent to the quarter end, the Company entered into forward contracts of R$120 million for 2019, at a fixed exchange rate of R$3.40 to US$1.00 and R$120 million at a fixed exchange rate of R$3.50 to US$1.00. However, the Company will remain exposed to currency fluctuations with respect to its foreign currency requirements that are unhedged. Should the U.S. dollar continue to strengthen against the Company’s operating currencies, in particular the Brazilian real, the Company will benefit from lower operating costs, to the extent that its foreign exchange requirements are unhedged. Conversely, should the U.S. dollar weaken against the Company’s operating currencies, the Company’s operating costs in U.S. dollars will increase to the extent that its foreign exchange requirements are unhedged. The financial statement classification and impact of the hedging arrangement during the nine months ended September 30, 2017 are disclosed in Note 7 to the Condensed Consolidated Interim Financial Statements.

Commodity Price Risk

Gold and silver prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the political and economic conditions of major gold and silver-producing countries. The profitability of the Company is directly related to the market price of gold and silver. A decline in the market prices for these precious metals could negatively impact the Company's future operations. During the quarter, the company entered into gold price hedging arrangements in order to manage cash flow during the development phase of the Santa Luz mine. 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 from October 2017 to December 2018, inclusive, totaling 30,000 ounces.



For the quarter ended September 30, 2017, spot gold prices averaged $1,278 per ounce, or 4.0% lower, compared to $1,334 per ounce for the quarter ended September 30, 2016. Prices ranged between $1,211 and $1,346 per ounce and ended the third quarter of 2017 at $1,283 per ounce.

The following table illustrates the sensitivity of the Company’s net earnings to changes in the average realized gold price for the periods indicated below:

	Gold ounces sold	Realized price per gold ounce sold[1]	Change	Effect on net earnings (US$ thousands)[2]	Average market price quarter-end
Three months ended September 30, 2017	43,228	$ 1,264	=+/-10%	$ 5,464	$ 1,278
Three months ended September 30, 2016	46,808	$ 1,307	=+/-10%	$ 6,118	$ 1,334
Nine months ended September 30, 2017	135,534	$ 1,241	=+/-10%	$ 16,820	$ 1,251
Nine months ended September 30, 2016	140,403	$ 1,243	=+/-10%	$ 17,452	$ 1,260

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of revenue from mining operations to realized price per gold ounce sold.

(2) Calculations are based on Condensed Consolidated Interim Financial Statements.

Selected 8-Quarter Trailing Information

Brio Gold Consolidated

(In thousands of U.S. dollars, except per share and per ounce amounts)	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Revenues from operating mines	$ 54,126	$ 52,853	$ 59,499	$ 59,510
Impairment charges on mining properties	—	—	—	(110,876)
Mine operating earnings/(loss)	$ 3,999	$ 4,207	$ 5,815	$ (122,379)
Reversal of impairment/(impairment) of non-operating mining properties	—	—	—	96,217
Net earnings/(loss)	$ (10,003)	$ (7,385)	$ 2,417	$ (22,114)
Net earnings/(loss) per share (basic)	(0.09)	(0.07)	0.02	(0.20)
Net earnings/(loss) per share (diluted)	(0.09)	(0.07)	0.02	(0.20)
Weighted average number of shares outstanding (In thousands)				
Basic	112,527	112,527	112,527	112,527
Diluted	112,527	112,527	118,450	112,527
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 (1)	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 2016	Q2 2016	Q1 2016	Q4 2015
Revenues from operating mines	$ 60,559	$ 65,154	$ 47,133	$ 41,249
Impairment charges on mining properties	—	—	—	(12,717)
Mine operating earnings/(loss)	$ 7,550	$ 10,889	$ 13,866	$ (11,578)
Reversal of impairment/(impairment) of non-operating mining properties	—	—	—	(7,360)
Net earnings/(loss)	$ (15,534)	$ 10,315	$ 10,475	$ 2,882
Net earnings/(loss) per share (basic)	(0.63)	0.44	0.45	0.12
Net earnings/(loss) per share (diluted)	(0.63)	0.41	0.42	0.12
Weighted average number of shares outstanding (In thousands)				
Basic	24,468	23,500	23,500	23,500
Diluted	24,468	25,000	25,000	25,000
Cost of sales including depletion, depreciation and amortization per gold ounce sold	1,132	1,037	823	1,016
Cash cost per gold ounce produced (1)	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

Note:

(1) A non-GAAP financial measure. See "*Management's Discussion and Analysis - Non-GAAP Financial Measures*" for a reconciliation of net loss to Adjusted earnings or loss.

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 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

(In thousands of U.S. dollars, except per share and per ounce amounts)	For the nine months ended September 30, 2017 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)	154,059	61,910	47,347	33,707
Cost of sales including depletion, depreciation and amortization per gold ounce sold	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 sold	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)

(In thousands of U.S. dollars, except price per ounce in dollars and ounces sold)	For the three months ended September 30, 2017	2016	For the nine months ended September 30, 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**

Disclosure Controls and Procedures

Internal Controls over Financial Reporting

The Company’s management, with the participation of its Chief Executive Officer and Chief Financial Officer, is responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company’s internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on a review of the internal controls over financial reporting in the nine months ended September 30, 2017 conducted by management of the Company, the Company’s internal controls and procedures are appropriately designed and operating effectively to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

Changes in Internal Controls over Financial Reporting

During the three months ended September 30, 2017, the Company has finalized the transition of the internal controls over financial reporting after becoming a public company on December 23, 2016. During the transition period, the Company, with the assistance of Yamana, maintained the internal controls over financial reporting that were in place when the Company was a division of Yamana until the design and implementation of new internal controls were finalized. Management is not aware of changes that have a material impact on the financial reporting of the Company. Based on the design and implementation of the new controls, the changes are also not likely to have a material impact on the financial reporting of the Company.

Limitations of Controls and Procedures

The Company’s management, including its Chief Executive Officer and Chief Financial Officer, believe that any internal controls and procedures for financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations of all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented and/or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

FURTHER INFORMATION

Additional information regarding the Company, including its annual information form, can be found on SEDAR at www.sedar.com and on the Company's website at www.briogoldinc.com.