

Fiore Gold Announces Q3 2018 Results – Another Strong Quarter of Gold Production and Operating Cash Flow

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Vancouver, British Columbia (FSCwire) - [Fiore Gold Ltd.](#) (TSXV: F) (OTCQB: FIOGF) (“Fiore” or the “Company”) is pleased to announce that its unaudited financial statements and management’s discussion and analysis for the third quarter (“Q3”) ended June 30, 2018 have been filed with the securities regulatory authorities and are available at [www.sedar.com](#) and on the Company’s website at [www.fioregold.com](#).

Q3 2018 Production and Financial Highlights

(all figures in U.S. dollars unless otherwise indicated)

The third quarter of the 2018 financial year was another strong quarter for the Pan Mine (“Pan”) and saw a number of important milestones for Fiore, including:

Financial Highlights

- Recorded quarterly revenues of \$13.78 million with mine operating income of \$3.76 million
- Generated quarterly operating cash flow of \$4.55 million, representing a 167% increase over Q2 of 2018
- Maintained a strong balance sheet with no debt and working capital of \$17.35 million as of June 30, 2018
- Consolidated operating income of \$1.86 million

Operating Highlights

- Gold production of 9,964 ounces, a 15% increase over Q2 2018 and the sixth successive quarterly production increase
- Gold sales of 10,584 ounces, a 22% increase over Q2 2018, at an average realized price of \$1,302 per ounce
- Mined ore production slightly ahead of plan at approximately 14,250 ore tons per day ("tpd"), with a stripping ratio of 1.48
- 22,000 man-hours worked in Q3, achieving our Triple-Zero goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries. As of the end of Q3, Pan had attained 773 consecutive days of this Triple-Zero achievement
- Our operations team at Pan was selected to receive the Small Mine Safety Award from the Nevada Mining Association for the third consecutive year, 2015, 2016 and 2017
- Q3 2018 all-in sustaining costs per ounce sold (“AISC”) of \$971* and cash costs per ounce sold of \$845

Organic Growth Highlights

- The drilling program targeting resource and reserve growth at Pan was wrapped up during July with positive drill results and will lead to a resource update later in 2018

- The Final Environmental Impact Assessment for our Gold Rock property was published by the Bureau of Land Management on July 27th, 2018

Q3 2018 represented a record quarter for Fiore in operating cash flow, revenue, gold ounces produced, and gold ounces sold. Further, the Pan Mine had its second consecutive quarter of positive operating cash flow. The mining rate continued to exceed the planned 14,000 ore tons per day, with the daily mining rate of 14,246 ore tons per day for the quarter, a slight decrease from Q2 2018 due to increased stripping. Relative to Q2 2018, gold production increased by 15% and operating cash flow increased by 167%, while AISC increased slightly to \$971*, attributed largely to drilling expenditures at Pan during the quarter.

At Pan, we are continuing to evaluate the economics of adding a crushing and agglomeration circuit to the mine. Data from the two 10,000-ton test cells and several column tests has been received and analyzed. As expected, the tests showed that the crushed ore yields higher and quicker gold recoveries relative to the run-of-mine ore. We are currently looking at several possible scenarios including purchasing a crushing circuit vs. contract crushing, with a decision expected before the end of calendar 2018.

Fiore also completed approximately 29,000 ft (8,750m) of reverse circulation drilling at Pan, which was intended to expand the existing oxide reserves both at depth and laterally beyond the current reserve boundaries. The data from the drilling program has now been compiled and passed to our external consultants who will update the resource and reserve estimate in calendar Q4 2018.

At our nearby Gold Rock project, the Final Environmental Impact Statement (“FEIS”) was published by the Bureau of Land Management on July 27th, 2018, with the Record of Decision (“ROD”) expected following 30 days after publication. Drilling at Gold Rock commenced in August 2018 and is intended to test a number of targets along strike from the existing historical resource area. We also expect to release an updated resource estimate for Gold Rock in Q4, based on the existing historical drilling. This will provide us with a current 43-101 compliant resource and form a solid baseline from which to grow the project through additional drilling.

Tim Warman, Chief Executive Officer of Fiore, commented: “The Pan Mine really hit its stride in Q3, with record quarterly gold production and solid operating cash flow. Our operating team at Pan has done a great job and continues to focus on on-going operational improvements. We’re also very pleased that the FEIS for Gold Rock has been published and are looking forward to the final Record of Decision which we expect in the coming weeks. Other near-term catalysts will include the new resource estimate and drilling results from Gold Rock, where approximately 13 km of prospective strike length remains almost untested by drilling.”

Third Quarter 2018 Results

	Three Months Ended June 30,	
	2018	2017
Financial Results of Operations		
Select Items - On a Consolidated Basis	\$000's	\$000's
Revenue	13,784	4,855
Mine Operating Income	3,762	588
Income / (Loss) from Operations	1,858	(1,609)
Operating Cash Flow	4,551	(221)
Unrealized Gain on Change in FV of Warrant Derivative	1,905	0
Net Income / (Loss)	(5,035)	(1,680)

Financial Position as of:	June 30, September 30,	
	2018	2017
Select Items - On a Consolidated Basis	\$000's	\$000's
Cash	7,185	15,124
Inventories	11,164	5,849
Total Current Assets	19,420	23,305
Mineral Property, Plant and Equipment, net	17,574	21,841
Total Assets	42,865	46,866
Total Current Liabilities	(2,075)	(3,521)
Long-Term Liabilities	(4,563)	(9,259)
Working Capital Surplus	17,345	19,784

As a result of the continued ramp-up at Pan, revenue, income from operations and operating cash flow have all increased significantly. We incurred a net loss during the quarter of \$5.04 million as we elected to terminate the option agreement for Pampas el Peñon on July 11, 2018, and due to the material nature of the transaction, the carrying value of the property was adjusted as of June 30, 2018 by recognizing an impairment charge of \$8.69 million. Following a recent evaluation of all our Chilean assets, management determined that Pampas el Peñon did not merit further expenditure (see PR of July 12, 2018).

The cash balance decreased relative to September 30, 2017 by \$7.94 million, primarily reflecting the investment in the Phase II heap leach pad, exploration expenditures at Pan, as well as contributions to the Pan reclamation deposit. However, our cash balance has increased by \$1.46 million since the end of Q2 2018. As of June 30, 2018, we continue to have a strong working capital surplus of \$17.35 million, consisting of current assets of \$19.42 million and current liabilities of \$2.08 million.

OUTLOOK

We are expecting to be near the lower end of our production guidance range of 35,000 to 40,000 gold ounces in FY2018. The year to date mining rate of 14,580 ore tons per day has exceeded the guidance of 14,000 ore tons per day. Reconciliation through Q3 2018 between actual ore tons and grade mined relative to the reserve model from the 2017 Feasibility Study shows generally good agreement.

Placement of ore on the leach pads, and leach solution flow rates through the ADR plant are in line with our forecasts, however timing of ounces coming off the leach pad has been slightly slower than expected.

In line with production expected to be near the lower end of our guidance range, costs per ounce are expected to be moderately higher than stated guidance.

Looking ahead to the fourth quarter of 2018, the Pan Mine is entering a planned period of higher stripping that will extend through the bulk of fiscal year 2019. While the life of mine strip ratio is not expected to change from the 1.3:1.0 number reported in the 2017 Feasibility Study, the strip ratio is expected to be in the range of 2.2:1.0 for the next three to four quarters. While partially offset by higher grades in the fiscal year 2019 mine plan, the increased stripping is expected to result in higher mining costs which will in turn affect operating cash flow. We are currently projecting a return to significantly lower strip ratios in fiscal year 2020.

In Q3 2018 the strip ratio increased to 1.5:1.0, however waste movement is behind plan. Our contract miner has struggled, particularly over the last quarter, in an increasingly competitive labor market to retain qualified mechanics and equipment operators, resulting in below target availability and utilization for key mining

equipment. While maintaining ore mining rates, the operation has fallen behind on waste stripping and this will lead to increased stripping requirements beyond those in the mine plan as we work to eliminate the waste backlog. We are working with the contract miner to increase equipment and operator availability. We plan to bring waste stripping back in line with the mine plan during fiscal 2019.

Corporate Strategy

Our corporate strategy is to grow Fiore Gold into a 150,000 ounce per year gold producer. To achieve this, we intend to:

- grow gold production at the Pan Mine while also growing the reserve and resource base;
- advance exploration and development of the nearby Gold Rock project; and
- acquire additional production or near-production assets in Nevada and surrounding states.

*Note on AISC Presentation

The Company has adjusted the presentation of AISC in the current quarter to remove non-sustaining exploration expense to better reflect sustaining costs which do not include expenditures related to sites that are not producing. To align to the presentation of AISC less corporate general and administrative costs, corporate share-based compensation expense has also been adjusted. The adjustment has been made for both the current period and prior year comparative periods and provides a reader with better information. The below table is a reconciliation from prior presentation of AISC to reflect the removal of non-sustaining exploration expense and corporate share-based compensation.

	Three Months Ended June 30, Nine Months Ended June 30,			
	2018	2017	2018	2017
All-in Sustaining Costs per Ounce Reconciliation				
AISC per Ounce as Previously Presented	\$/oz 1,014	1,439	1,208	1,970
Less:				
Non-Sustaining Exploration	\$/oz (26)	(58)	(42)	(152)
Corporate Share-Based Compensation	\$/oz (17)	(255)	(29)	(168)
AISC per Ounce as Currently Presented	\$/oz 971	1,126	1,137	1,650

Qualified Person

The scientific and technical information relating to Fiore Gold's properties contained in this press release was approved by J. Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101.

On behalf of [Fiore Gold Ltd.](#)

"Tim Warman"

Chief Executive Officer

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Non-IFRS Financial Measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. These measures are not defined under IFRS and should not be considered in isolation. 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. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

We have adopted an "all-in sustaining costs" measure consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013, less corporate general and administrative expenses. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate free cash flow from current operations and our overall value. This measure is helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporates costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation, non-sustaining capital expenditures, non-sustaining exploration expense and other items needed to normalize earnings. Therefore, this measure is not indicative of our cash expenditures or overall profitability.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it 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. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations. "Costs of sales per ounce sold" adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

Total cash costs figures are calculated in accordance with a 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 is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.

"Total cash costs per ounce" and "cost of sales per ounce" are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently. The following table reconciles non-IFRS measures to the most directly comparable IFRS measure.

Cautionary Note Regarding Forward Looking Statements

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to continuing successful operations and ramp-up at the Pan Mine, being the near lower end of Fiore's production guidance range, expected production cost and all-in sustaining costs per ounce,

potential addition of crushing and agglomeration circuit, timing of decision to add a crushing and agglomeration circuit, economics associated with potential additional of crushing and agglomeration circuit, potentially higher and quicker gold recoveries estimated with the additional of a crushing and agglomeration circuit, the Pan Mine anticipated results of the exploration and development drilling program, that results of Pan drilling program will lead to a positive resource update in 2018, ability to expand resource and reserves, future stripping ratios, future performance of the contract miner at Pan, ability to generate operating cash flow, future financial performance, Record of Decision for the Gold Rock project, expected results for current drill program at the Gold Rock project, future drilling, development and advancement of the Gold Rock Project, timing of a resource estimate for the Gold Rock project, company outlook, goal to become a 150,000 ounce producer, goal to acquire additional production or near production assets, and other statements, estimates or expectations. Often, but not always, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "targets", "forecasts", "intends", "anticipates", "scheduled", "estimates", "aims", "will", "believes", "projects" and similar expressions (including negative variations) which by their nature refer to future events. By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fiore Gold's control. These statements should not be read as guarantees of future performance or results. Forward looking statements are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated geological formations, potential mineralization, future plans for exploration and/or development, potential future production, ability to obtain permits for future operations, drilling exposure, and exploration budgets and timing of expenditures, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Fiore Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but not limited to, risks related to the Pan Mine performance, risks related to the company's limited operating history; risks related to international operations; risks related to general economic conditions, actual results of current or future exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in ore reserves, grade or recovery rates; uncertainties involved in the interpretation of drilling results, test results and the estimation of gold resources and reserves; failure of plant, equipment or processes to operate as anticipated; the possibility that capital and operating costs may be higher than currently estimated; the possibility of cost overruns or unanticipated expenses in the work programs; availability of financing; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of exploration, development or construction activities; the possibility that required permits may not be obtained on a timely manner or at all; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Fiore Gold operates, and other factors identified in Fiore Gold's filing with Canadian securities authorities under its profile at www.sedar.com respecting the risks affecting Fiore and its business. Although Fiore has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward-looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. Fiore disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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