

FI^QRE GOLD

FI^QRE GOLD ANNOUNCES FULL YEAR 2019 RESULTS

January 24, 2020

TSXV-F
OTCQB-FIOGF

Vancouver, British Columbia – FIORE GOLD LTD. (TSXV: F) (OTCQB: FIOGF) (“Fiore” or the “Company”) is pleased to announce that its financial statements and management’s discussion and analysis for the fiscal year ended September 30, 2019, 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.

2019 Operational and Financial Highlights

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

- Full-year gold production of 41,491 ounces, a 21% increase over the preceding year and within full-year guidance of 40,000-43,000 ounces
- Full-year mined ore production of 13,923 tons per day at a stripping ratio of 1.8:1
- Pan Mine AISC¹ per ounce sold of \$961 and cash costs per ounce sold¹ of \$899
- Fiore consolidated AISC¹ of \$1,080 per ounce sold
- Recorded annual revenues of \$53.74 million with mine operating income of \$11.97 million
- Generated Pan operating cash flow¹ of \$10.03 million and consolidated operating cash flow of \$4.47 million after investment in drilling and crusher start-up working capital
- Our operations team at Pan received the Small Mine Safety Award from the Nevada Mining Association for the fourth consecutive year
- 91,672 man-hours worked in fiscal year 2019, achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries. As of the end of FY2019, the operation is at 1,230 consecutive days of attaining this Triple-Zero achievement.

2019 Organic Growth Highlights

- Completed a 10,000 metre drill program at the federally permitted Gold Rock project in support of a Preliminary Economic Assessment (“PEA”). The PEA will be release in calendar Q1 2020
- Prepared a detailed development plan for Gold Rock that lays out the drilling, metallurgical testing, engineering, state permitting, and other activities required to advance the project towards production, with anticipated construction decision by mid-2021
- Installed primary crushing circuit on time and on budget at Pan Mine to improve recoveries and gold production, impact primarily seen in 2020
- Initiated Pan mine life extension drill program with resource update expected calendar Q2 2020

Q4 2019 Operational and Financial Highlights

- Gold production of 9,282 ounces
- Recorded quarterly revenues of \$12.55 million with mine operating income of \$2.17 million
- Mined ore production in fiscal Q4 of 13,156 tons per day, with the stripping ratio at 2.3:1.0
- Q4 2019 Pan Mine AISC¹ per ounce sold of \$1,093 and cash costs per ounce sold¹ of \$1,017
- Q4 2019 Fiore consolidated AISC¹ of \$1,231
- Generated Pan operating cash flow¹ of \$0.63 million and consolidated operating cash flow use of \$1.76 million, including expenditure on Gold Rock exploration

Tim Warman, Chief Executive Officer of Fiore, commented: “The Pan Mine had another strong year with gold production up 21% and further growth expected in FY2020 from the newly installed crushing circuit. Cash flow from the Pan Mine not only funded additional resource expansion drilling to extend the mine life at Pan and partially funded the new crusher, it also allowed us to advance the adjacent Gold Rock project with a 10,000 metre drill program and a PEA that will be released in calendar Q1 2020. Our goal remains to have Pan and Gold Rock operate in unison, creating a multi-asset US gold producer with a track record of solid operating performance.”

Review of Operating Results

Operating Results		Three Months Ended		Year Ended September 30,	
		September 30,	September 30,	2019	2018
Ore Mined	(t)	1,210,337	1,213,072	5,081,729	5,193,397
Waste Mined	(t)	2,746,158	1,667,471	8,964,960	6,293,144
Total Mined	(t)	3,956,495	2,880,543	14,046,689	11,486,541
Gold Ounces Mined	(oz)	16,253	20,724	73,883	73,664
Ore Grade Mined	(oz/t)	0.013	0.017	0.015	0.014
Strip Ratio	waste/ore	2.3	1.4	1.8	1.2
Gold Ounces Produced	(oz)	9,282	8,993	41,491	34,297
Gold Ounces Sold (Payable)	(oz)	9,009	8,964	40,994	34,688
Average Realized Price ¹	\$/oz	1,392	1,208	1,310	1,279
Total Cash Costs per Ounce ¹	\$/oz	1,017	825	899	820
Cost of Sales per Ounce ¹	\$/oz	1,153	929	1,019	912
Fiore Consolidated AISC per Ounce ¹	\$/oz	1,231	1,035	1,080	1,216
Pan Mine AISC per Ounce ¹	\$/oz	1,093	893	961	1,063

¹ This is a non-IFRS financial measure. Please refer to “Non-IFRS Financial Measures” at the end of this news release for a description of these non-IFRS financial measures and to the Non-IFRS Financial measures in the September 30, 2019 Management’s Discussion and Analysis for a reconciliation to operating costs from the Company’s financial statements.

Gold production of 41,491 ounces was 21% higher than production in 2018. Ore mined was relatively consistent year on year, but waste tons mined increased by 42%, reflecting an increased strip ratio of 1.8:1.0. The increased strip ratio, combined with higher processing costs relating to the crushing circuit, caused total cash costs and cost of sales per ounce to increase relative to prior year. AISC¹ reduced at Pan and on a Fiore consolidated basis as the operating cost increase was offset by a decrease in capital

expenditure. Sustaining capital was relatively minimal in 2019 compared to the \$6.67 million spent in 2018, primarily on the leach pad expansion.

Q4 gold production was higher than the prior year quarter but was lower than Q3 2019. Production was impacted by lower gold grades in the second half of 2019 in line with the mine plan. Additionally, Q4 ore mining rates and placement of crushed ore on the leach pad were lower than planned as we worked to achieve consistent crusher availability and throughput. Positively, tons crushed per day consistently increased through the quarter. Q4 Pan and Fiore Consolidated cash costs¹ and AISC¹ increased relative to the prior year quarter for reasons consistent with the full year. We are currently in a high strip phase at 2.3:1.0 which significantly impacts operating costs. As the crusher worked through its commissioning in Q4, it also represented an investment in working capital as the impact of crushing did not have a material production benefit in the quarter. Operating cash flow was also impacted by the higher strip ratio and increased processing costs, in addition to \$1.5 million of exploration expense. As the strip ratio reverts to the life of mine average of 1.6:1.0 or lower, and the production benefit of crushing ore increases, there is expected to be a positive impact on key cost metrics.

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2019 Guidance Review

The following table outlines FY2019 guidance as compared to actual results for FY2019:

		2019 Guidance	2019 Actual
Ore Mined	tpd	~14,000	13,923
Ore Grade Mined	(oz/t)	0.014 - 0.016	0.015
Strip Ratio	waste/ore	>1.6:1.0	1.8
Gold Ounces Produced	(oz)	40,000 - 43,000	41,491
Total Cash Costs per Ounce ¹	\$/oz sold	870 - 900	899
Fiore Consolidated AISC per Ounce ¹	\$/oz sold	1,025 - 1,050	1,080
Pan Mine AISC per Ounce ¹	\$/oz sold	925 - 950	961

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Ore mined during FY 2019 averaged 13,923 ore tons per day, in line with guidance of 14,000 ore tons per day. Our strip ratio fell in line with guidance of just above the life of mine strip ratio of 1.6:1.0 at 1.8:1.0.

Gold ounces produced during FY2019 was 41,491 and within our full-year guidance of 40,000 – 43,000 ounces.

Cash costs per ounce came in at \$899 per gold ounce sold, which was at the top of our guidance range. However, consolidated AISC and Pan Mine AISC per ounce sold were slightly above guidance ranges primarily due to an accrual for a company- wide incentive plan which was not contemplated in guidance.

Key Developments

Pan Mine

An updated resource estimate released during fiscal Q1 2019 (refer to news release dated December 3, 2018) showed almost complete replacement of M+I resources mined in the 19 months since declaring commercial production (which averaged approximately 12,500 ore tons mined per day), and a significant growth in Inferred resources even after allowing for mining depletion. We also reported updated Proven and Probable mineral reserves of 18.5 million tons at a gold grade of 0.015 oz/st (0.51 g/t) containing 275,600 ounces of gold (refer to news release dated April 9, 2019).

The 2018 drilling program also highlighted several areas in the vicinity of the Pan North Pit where mineralization remains open with the potential to further increase the near-mine resource base with additional drilling. Numerous additional targets remain to be tested along strike from the existing Pan deposit. A drilling program was initiated at our Pan Mine in fiscal Q4 2019 aimed at further increasing the reserve base. The results of the first 26 holes of the program were reported on December 10, 2019 where we intersected new oxide gold mineralization, including 35.1 metres of 0.64 g/t gold and 38.1 metres of 0.79 g/t gold. Drilling will continue in calendar Q1 2020 and we anticipate updating the resource mid-2020.

The primary crushing circuit at the Pan Mine was commissioned in line with our schedule at the end of June 2019. We are proud of our ongoing track record of managing development and capital projects at the Pan Mine in a safe and timely manner. Metallurgical testing has shown that primary crushing will increase both the overall gold recovery and the rate of gold recovery. At the present ore mining rate of 14,000 tons per day, the crushing circuit will produce an estimated 6,000-7,000 additional gold ounces per year.

Gold Rock

During 2019, the Company completed a \$2.0 million program of resource expansion drilling and metallurgical test work. The drill results intersected thick intervals of oxide gold mineralization both within and outside of the current resource pit shells. This is particularly encouraging as one of the goals of the current drilling program is to expand the resource envelope in advance of a PEA targeted for calendar Q1 2020. Results from the 32 RC drill holes of the current drilling program at Gold Rock included the following highlights:

- 54.9 m of 0.85 g/t gold in hole GR19-001
- 9.1 m of 2.51 g/t gold in hole GR19-003
- 25.9 m of 0.88 g/t gold in hole GR19-007
- 15.2 m of 0.97 g/t gold in hole GR19-010
- 22.9 m of 0.72 g/t gold in hole GR19-023
- 15.2 m of 1.48 g/t gold in hole GR19-026
- 10.7 m of 1.36 g/t gold in hole GR19-032
- 27.4 m of 1.46 g/t gold in hole GR19-002
- 29.0 m of 0.63 g/t gold in hole GR19-006
- 15.2 m of 1.22 g/t gold in hole GR19-009
- 24.4 m of 0.96 g/t gold in hole GR19-014
- 25.9 m of 0.92 g/t gold in hole GR19-024
- 16.8 m of 1.61 g/t gold in hole GR19-029

We have prepared a detailed development plan for Gold Rock that lays out the drilling, metallurgical testing, engineering, state permitting, and other activities required to advance the project towards production. The plan aims to arrive at a construction decision by mid-2021, assuming successful completion of these activities and a positive feasibility study. Based on its experience operating the nearby

Pan Mine, the Company intends to proceed directly from the PEA to a Feasibility Study in order to shorten the development timeframe.

2019 Financial Results

Financial Results of Operations	Year Ended September 30,	
	2019	2018
Select Items - On a Consolidated Basis	\$000's	\$000's
Revenue	53,742	44,410
Mine Operating Income	11,967	12,773
Income from Operations	4,574	4,672
Operating Cash Flow	4,465	4,425
Unrealized (Loss)/Gain on Derivatives, net	(310)	6,409
Net Income	2,422	1,127
Adjusted Net Earnings ¹	3,357	3,604
	September	September
	30,	30,
Financial Position as of:	2019	2018
Select Items - On a Consolidated Basis	\$000's	\$000's
Cash	7,280	6,167
Inventories	20,886	13,201
Total Current Assets	29,610	20,397
Mineral Property, Plant and Equipment, net	18,764	16,801
Total Assets	56,156	43,603
Total Current Liabilities	(6,558)	(2,274)
Long-Term Liabilities	(10,279)	(4,833)
Working Capital Surplus	23,052	18,123

Revenue increased 21% in 2019 relative to 2018 due primarily to increased gold ounces produced and sold. Income from mine operations and adjusted net earnings were all relatively consistent with prior year. Profitability in 2019 was impacted by the increased strip ratio of 1.8:1.0 relative to the 1.2:1.0 in 2018 as well as longer ore hauls as the pits get deeper. Also impacting profitability were increased processing costs related to the crushing circuit and increased depreciation and depletion expense reflecting the higher depreciable asset base. The updated life of mine plan has a strip ratio of 1.6:1.0, with stripping expected to be above that level until mid-calendar 2020, then dropping below thereafter.

The cash balance increased relative to September 30, 2018 by \$1.11 million. Cash increased despite investments in drilling at both Pan and Gold Rock, in addition to partial funding of the crusher capital. Cash flow from Pan continues to fund all internal growth initiatives.

Operating cash flow for 2019 was \$4.47 million compared to \$4.43 million in 2018. Operating cash flow in 2019 was similarly impacted by a higher stripping ratio, and higher processing costs related to the crusher.

Cash flow from operations in 2018 also benefited by improved working capital with respect to reducing gold doré inventory and accounts receivable.

As of September 30, 2019, we continue to have a strong working capital surplus of \$23.05 million, consisting of current assets of \$29.61 million and current liabilities of \$6.56 million. Refer to the Company's MD&A and Financial Statements for additional information.

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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 to complement our existing operations

*Note on AISC Presentation

The presentation of Pan Mine all-in sustaining costs as shown is consistent with prior quarters' measures of all-in sustaining costs. We have added Fiore Consolidated all-in sustaining costs to layer in corporate general and administrative costs, including share-based compensation and corporate sustaining capital expenditures, when applicable. A reconciliation from prior presentations of all-in sustaining costs per ounce sold has been presented in the table below to the current Pan Mine AISC and Fiore Consolidated AISC per ounce sold presentations.

	Three Months Ended September 30,	
	2019	2018
AISC per Ounce Sold as previously defined	\$ 1,093	\$ 893
Pan Mine AISC per Ounce Sold	\$ 1,093	\$ 893
Adjustments to Fiore Consolidated AISC per Ounce Sold:		
Corporate General & Administrative Costs per Ounce Sold	134	132
Corporate Share Based Compensation per Ounce Sold	4	10
Fiore Consolidated AISC per Ounce Sold	\$ 1,231	\$ 1,035
	Year Ended September 30,	
	2019	2018
AISC per Ounce Sold as previously defined	\$ 961	\$ 1,063
Pan Mine AISC per Ounce Sold	\$ 961	\$ 1,063
Adjustments to Fiore Consolidated AISC per Ounce Sold:		
Corporate General & Administrative Costs per Ounce Sold	110	128
Corporate Share Based Compensation per Ounce Sold	9	25
Fiore Consolidated AISC per Ounce Sold	\$ 1,080	\$ 1,216

Qualified Person

The scientific and technical information contained in this news release relating to Fiore Gold's Pan Mine was approved by J. Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101. The scientific and technical information contained in this news release relating to the Gold Rock project was approved by Paul Noland (AIPG CPG-11293), Fiore Gold's VP Exploration 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 has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are 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. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

"Adjusted net earnings" and "adjusted net earnings per share" are non-IFRS financial performance measures. Adjusted net earnings excludes the following from net earnings: certain impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments; gains (losses) and other one-time costs relating to acquisitions or dispositions; foreign currency translation gains (losses); significant tax adjustments not related to current period earnings; unrealized gains (losses) on non-hedge derivative instruments; and the tax effect and non-controlling interest of these items. The Company uses this measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings are a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

We have adopted "all-in sustaining costs" measures for the Pan Mine and Fiore as a consolidated group, consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013. 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. These measures are 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, these measures are 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”, “cost of sales per ounce”, “all-in sustaining costs per ounce”, “Corporate G&A and SBC per ounce”, “Non-sustaining exploration per ounce”, “Pan operating income” and “Pan operating cash flow” 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.

“Average realized price” is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

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 future operations at the Pan Mine, development plan for Gold Rock, drilling plans for Pan and Gold Rock, expected drilling results, expected production, expected costs, expected mining rates, strip ratios, all future statements concerning costs, production and financial performance, current and future estimates of mineral resources and reserves, expectations that the Company will add additional resources and reserves through drilling, the resource update for the Pan Mine in calendar Q2 2020, expectations for production growth in FY2020, estimates and expectation that the crushing circuit will produce additional gold ounces and increase gold recoveries, expectations regarding efficiencies from the installation of the crushing circuit, future cost trends regarding the crushing circuit, all of the future planned development, construction and operations described in the Final Environmental Impact Statement and Record of Decision for the Gold Rock Mine project, development and timing of a preliminary economic assessment for Gold Rock, metallurgical testing for Gold Rock, expectations for a feasibility study for Gold Rock, timing of a construction decision for Gold Rock, expectations for future capital projects, ability to use internal cash flow to fund growth initiatives, goal to have Pan and Gold Rock operate in unison, 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, maintained or renewed in 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 filings 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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