

## QUARTERLY ACTIVITIES REPORT SEPTEMBER 2019

---

### HIGHLIGHTS

- The Borborema Gold Project, Definitive Feasibility Study activities in Australia and Brazil progressed well, and are on track for completion in Q4, 2019.
  - BRV and the State of Rio Grande do Norte progressed an agreement that will provide tax concessions and government department co-operation and support for the establishment of the Borborema Gold Project.
  - The financial standing of the Company was significantly strengthened during the quarter through:
    - Raising A\$1.5 million (before costs) through a Placement to institutional and sophisticated investors
    - Realising A\$2.75 million through the sale of shares held in Meteoric Resources, a 5.5 times uplift from the initial value. A further A\$1.5M shares in Meteoric Resources are payable to BRV subject to achieving resource targets and decision to mine.
    - Conversion of A\$1.5M Convertible Notes held by Copulos Group removed all debt and further strengthened the balance sheet.
  - Posse Iron Ore Mine sales proceeds were not received from World Gold. Action has commenced to obtain the outstanding balance.
  - Cash on hand at the end of the quarter of A\$6.08M is sufficient to support the Company's activities and corporate costs through to at least December 2020.
- 

**Big River Gold Limited (ASX:BRV)** ("Big River" or the "Company") provides below, details of its activities during the 2019 September Quarter. In that period the Company focussed on advancing the Definitive Feasibility Study (DFS) including contracts for the Borborema Gold Project and improving the financial standing and balance sheet of the Company.

Both of these aspects showed significant improvement and are progressing in line with previously announced time frames.

### OPERATIONAL UPDATE

#### Borborema Gold Project & DFS

All activities of the Company were dedicated to progressing the Definitive Feasibility Study (DFS) for the Borborema Project. This is being conducted through Wave International Inc. and Grupo GE21 in Australia and Brazil respectively and is targeting a 2Mtpa plant throughput for approximately 70,000 oz annual gold production.

The mine and plant designs are well advanced and quotes have been received for major equipment, mining contracts, services and supplies. The Company continues to negotiate with those on the short lists in anticipation for inclusion in the Life of Mine Cashflow Model as part of the DFS and for project funding.

Discussions have been held with financial institutions who may be prepared to provide project finance and these have largely been positive although final commitments and indicative or final term sheets cannot be issued until the cashflow model can be provided for review, expected to be in Q4 2019.



Figure 1. Project location

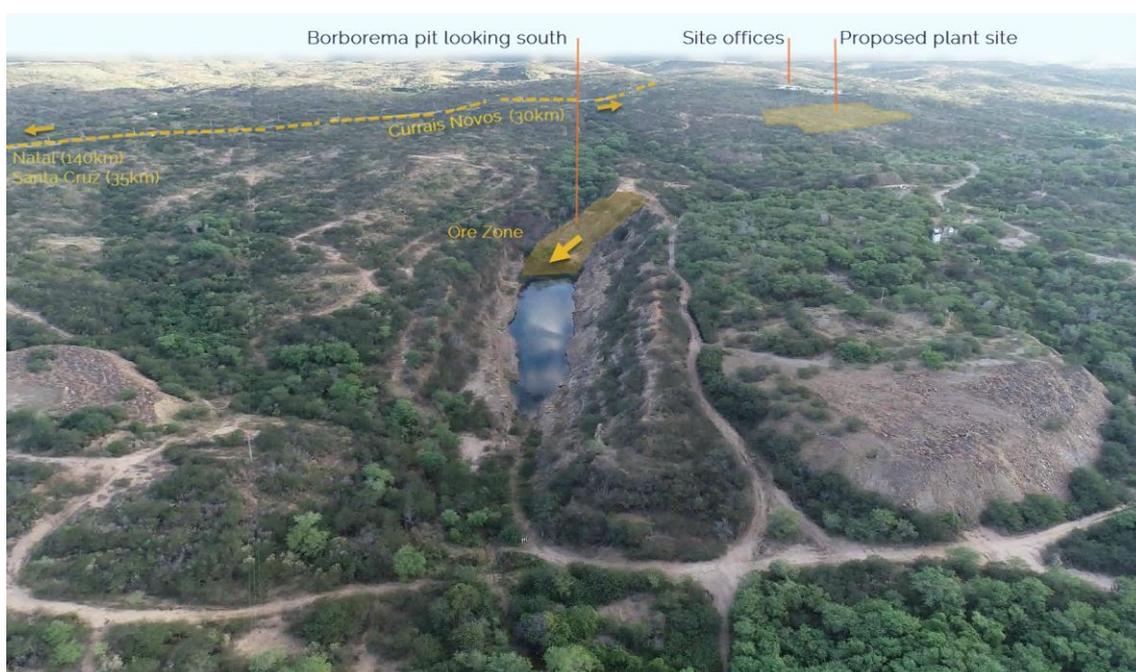


Figure 2. View to the south over Borborema Project site showing gold mineralisation exposed in the pit and proximity of infrastructure. Transmission line to the left of the pit links with main power grid crossing the Borborema leases.

On the ground in Brazil:

- Agreements securing the supply of sewage water from the town of Currais Novos have been entered into. This water will be piped to site where it will be treated before use in the processing plant. As well as addressing the lack of available water in the district it will resolve an environmental issue at Currais Novos where grey water leakages have contaminated areas near the town and created a mosquito problem.
- An agreement in principal has been reached to secure low cost power from COSERN the State authority whose main power lines cross the Borborema leases. Details are being finalised as to the design and installation of 13.8kVA power lines that will tap into the main power grid.

These power lines will be sufficient to run the Borborema Project operations and also provide access for local communities.

- Discussions were close to being finalised on a co-operation agreement between BRV and the State of Rio Grande do Norte (the “Protocol”) that will provide support in terms of tax concessions and government department co-operation, subject to the Borborema Gold Project being developed as planned. The Protocol recognises that Borborema will be the largest resources project in the State and will be signed off in October after which further details can be provided.

## **CORPORATE UPDATE**

### Placement to Institutional and Sophisticated Investors

During the Quarter, Big River announced that it completed a Placement to institutional and sophisticated investors under its existing ASX Listing Rule capacity. The Company issued 125 million new fully paid ordinary shares at an issue price of \$0.012 per share to raise \$1.5m before costs. Funds raised from the Placement will be applied towards pre-construction activities to accelerate the development of Borborema, exploration and evaluation of existing tenements (adjacent to the Borborema deposit and the surrounding Seridó belt) and working capital.

### Conversion of Convertible Notes

On 12 September the Company announced that its major shareholder, the Copulos Group (controlled by Chairman, Stephen Copulos), had elected to convert the \$1.5 million of Convertible Notes it held with the Company plus accrued interest. The conversion was completed in accordance with the terms of the Notes and approval of shareholders on 12 June 2019, at the price of \$0.01 per share.

The conversion of the Notes leaves Big River with no debt and a strong cash balance with which to fund the completion of the DFS, that is on track to be completed Q4, 2019.

### Sale of Meteoric Shares

During the quarter the Company sold the 50,000,000 shares it held in Meteoric Resources Limited (ASX:MEI) for \$0.055 per share to realise \$2.75m. This represents a 5.5 times increase on the original value of these shares which were issued to Big River as part consideration for the sale of the Juruena and Novo Astro Projects (refer to ASX announcement dated 20 March 2019). The MEI shares were subject to a discretionary 12-month escrow period however, the escrow was lifted by Meteoric to facilitate the disposal of the shares.

Big River will retain exposure to Meteoric via a further \$1.5m in MEI scrip which is payable to Big River subject to various milestones including a JORC resource increase and MEI taking a decision to mine (refer to ASX announcement dated 20 March 2019).

### Posse payments

World Gold, which replaced Inter Invest B.P S/A as the company that entered into a payment schedule to complete the purchase of the Posse Iron Ore Mine (refer ASX announcement dated 28 November 2018) has failed to complete those payments and a legal firm was appointed to pursue the outstanding balance. As a result of that action an amount was offered as settlement but that was rejected by Big River which intends to aggressively pursue the money it is owed.

Cash position and forecast

Cash on hand at the end of the quarter was A\$6.08M which is sufficient to support the Company's activities and corporate costs through to at least December 2020.

For now, receipt of the proposed Posse payments has been excluded from Big River's forecast cashflows but is expected to provide future upside.

Yours sincerely,



**Andrew Richards**  
Executive Director

**About Big River Gold**

Big River Gold Ltd (ASX:BRV), is a mineral exploration and development company listed on the Australian Securities Exchange. Its major focus is Brazil; a country the Company believes is underexplored and offers high potential for the discovery of world class mineral deposits. The Company's key asset is the Borborema Gold Project.

**Borborema Gold Project**

Borborema is located in the Seridó area of the Borborema province in north-eastern Brazil. It is 100% owned by Big River and consists of three mining leases covering a total area of 29 km<sup>2</sup> including freehold title over the main prospect area.

The Project benefits from a favourable taxation regime, existing on-site facilities and excellent infrastructure such as buildings, grid power, water and sealed roads. It is close to major cities and regional centres and the services they can provide. The project's measured, indicated and inferred Mineral Resource Estimate of 2.43Moz @ 1.10 g/t gold, remains open in all directions (refer to ASX Announcement of 24 July 2017).

<b>Borborema Gold Project</b>			
Mineral Resource by Multiple Indicator Kriging (MIK) estimation			
<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Gold (Moz)</b>
Measured	8.2	1.22	0.32
Indicated	42.8	1.12	1.55
<b>Total Measured + Indicated</b>	<b>51.0</b>	<b>1.14</b>	<b>1.87</b>
Inferred	17.6	1.00	0.57
<b>Total Mineral Resources</b>	<b>68.6</b>	<b>1.10</b>	<b>2.43</b>

**Table 1. Mineral Resource (JORC 2012) table**, reported above 0.5 g/t Au cut-off. Parent Block 25mE x 25mN x 5mRL. Selective Mining Unit 5mE x 6.25mN x 2.5mRL. Note, appropriate rounding has been applied, subtotals may not equal total figures. (refer ASX Announcement of 24 July 2017).

## **Competent Person Statements**

### ***Borborema mineral resource estimate***

The information in this announcement that relates to the mineral resource estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.8 on 24 July 2017. Big River confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 24 July 2017 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

### ***Borborema ore reserve estimate***

The information in this announcement that relates to the Ore Reserve estimate for the Borborema Gold Project was first reported in accordance with ASX Listing Rule 5.9 on 6 March 2018, 29 March 2018 and 11 April 2018. Big River confirms that it is not aware of any new information or data that materially affects the information included in these previous announcements and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

### ***Borborema Exploration results***

The information in this announcement that relates to exploration results for the Borborema Gold Project was first reported in accordance with ASX Listing Rule 5.7 on 28 January 2015. Big River confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 28 January 2015 and 24 July 2017.