

## ASX RELEASE

29 April 2020



### POSSE SALE SETTLEMENT TO ADD \$1.0 MILLION CASH

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Big River Gold Ltd (ASX: BRV) (**Company** or **Big River**) wishes to advise that agreement has been reached with the buyers of the Posse iron mine whereby they will pay R\$3.5 million (approximately A\$1.0 million) on or before the 16 May, 2020 plus costs of the action taken by Big River in achieving this resolution. This payment will represent full and final settlement of the Posse sale which was sold by Big River in 2017 (refer ASX announcements of 2 August, 2017 and 10 July, 2018).

The settlement and revised timeline has now been approved by the Lower Court (1st degree) of the Court of Justice of the State of Minas Gerais.

The buyers of Posse, World Gold Mineracao S/A (**World Gold**), have made an initial payment of R\$500,000 (~A\$138,000) to Big River and a further R\$250,000 to our lawyers.

World Gold and its associates had previously failed to meet payment schedules after paying only the first few instalments for a total of R\$3,240,000 to date including legal fees. Failure by World Gold to again meet the schedule as approved and registered with the Court will incur significant penalties under the agreement.

Previously announced forecast cashflows for Big River had excluded the Posse sale proceeds until this situation had been resolved.

**The receipt of the final Posse Sales Proceeds will further strengthen the Company's cash position and underpin ongoing efforts to advance pre-production activities for the Borborema gold project.**

*On behalf of the Board.*

Yours sincerely,

A handwritten signature in cursive script, appearing to read "A Richards".

Andrew Richards  
**Executive Chairman**  
Big River Gold Ltd

#### **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 the 2.43M ounce Borborema Gold Project in Brazil; a country the Company believes is underexplored and offers high potential for the discovery of world class mineral deposits.*

### **Borborema Gold Project**

*Borborema is a project with a resource of 2.43Moz gold, 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.*

### **Definitive Feasibility Study (DFS)**

*A DFS for development and construction of Stage 1 of the Borborema Project was completed in December 2019 as detailed in the ASX Announcement of 23 December, 2019. It confirmed the project's strong economics and optimised a profitable open pit with a mine life of more than 10 years producing approximately 729,000 ounces gold at a C1 cash cost of US\$642/oz and AISC of US\$839/oz.*

*Assuming a gold price of US\$1,400 per ounce, the post tax NPV (8%) returned US\$203M with an IRR of 41.8%. The project returns an average EBITDA of US\$54M pa (full years).*