

UPDATE TO SHAREHOLDERS

- **Process engineering and mine design optimisation continues successfully, improvements in operating and capital expenditure and efficiencies for the Borborema Project expected.**
 - **DFS cashflow model to be updated in June to incorporate revised capital and operating costs, changes in treatment of taxation, and macro-economic changes, with improvements in project economics expected.**
 - **Settlement proceeds from sale of Posse project partly received.**
 - **Project funding discussions ongoing – delays experienced by Covid19, alternative funding opportunities also being investigated.**
 - **Virtual Conferencing and roadshows to promote the Company have been well received and effective.**
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Big River Gold Ltd (ASX: BRV) (**Company or Big River**) wishes to advise shareholders of Company activities during the current Covid19 pandemic and follow up on recent announcements regarding receipt of payments and progress on the Definitive Feasibility Study (**DFS**) review and optimisation.

Process Engineering and Mine Design Optimisation

Over the last few weeks, Wave International Ltd (**Wave**) in conjunction with EPAC Pty Ltd and CPC Project Design Pty Ltd, has redesigned the Borborema Project plant layout and process components with significant preliminary improvements seen in the amount of earthworks required and equipment capital costs and efficiencies. The expected changes in capital costs will be incorporated into an updated cashflow model in June 2020.

Work progressed well on water recycling systems and securing the delivery of greywater from nearby towns in order to ensure the supply of water to the process plant.

Review of DFS Cashflow model

In parallel with the optimisation of aspects of the DFS process engineering and mine design (as above), the Company is reviewing the DFS Life of Mine cashflow model with the view of updating it in June. The updated model will incorporate:

- Improvements in plant layout, equipment selection and updated quotes;
- Updated quotes from mining contractors and infrastructure or service providers;
- A review of the treatment of taxation within the cashflow model and inclusion of recent changes;
- A consideration of the stronger gold price and the significant depreciation of the Brazilian real (BRL) against the US dollar. Since the DFS was published the BRL has reduced by nearly 30% and 60%-65% of the Borborema Project capital and operating costs are in BRL.

Project Funding

Securing funding for the construction of the Borborema Project has been a high priority for the Company and has continued despite travel restrictions. The Company has noted a global slowdown in the provision of funding from traditional lenders in the market, due to market volatility amidst the current economic uncertainty. However, the Company notes the continued strengthening of the gold price and the compelling economics of the Borborema Project and is confident it will source funding for construction in due course.

In the meantime, the Company has been and will continue to investigate alternative funding options including corporate partnerships where such arrangements can increase shareholder value.

Posse Purchase Payments

Big River previously announced on 29 April 2020 that under an agreement reached with the buyers of the Posse iron mine, World Gold Mineracao S/A (**World Gold**) would pay R\$3.5 million (approximately A\$1.0 million) on or before the 16 May 2020 as full and final settlement of the Posse sale which was sold by Big River in 2017 (refer ASX announcement 29 April, 2017).

As at 18 May 2020, World Gold has paid R\$1 million (~A\$286,000) and has requested an extension of the payments to August 2020. The Company has reserved its rights but expects that payment will be made in full.

Roadshows

Notwithstanding the COVID-19 induced isolation and travel bans, the Company has been undertaking extensive Virtual Roadshows via Zoom to a number of investor groups in Europe, North America, Australia and Asia. The presentations were well received and have raised the profile of Big River and the Borborema Project.

On behalf of the Board.



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 km² 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 pre-tax NPV (8%) returned US\$218M with an IRR of 43.6%. The project returns an average EBITDA of US\$54M pa (full years).



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