

## UPDATE TO SHAREHOLDERS

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- **Development of Borborema progressed well:**
    - **Appointment of Auramet International as Financial Advisor to assist in procurement of debt funding**
    - **Expressions of interest sought from EPCM contractors**
    - **Testwork on production of saleable mica concentrate from the Borborema plant tailings progressed well, with successful production of commercial grade concentrate suitable for the plastic and polymer markets**
  - **Final Posse payment received from Posse iron ore project sale in 2017. A total of R\$3,500,000 (~A\$920,000) has been received.**
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Big River Gold Ltd (ASX: BRV) (**Company** or **Big River**) wishes to advise shareholders of the Company's recent activities primarily in relation to project funding for the Borborema Gold Project, progress of the mica testwork and receipt of Posse progress payments.

On-site activities continued to be adversely impacted by COVID-19 restrictions during 2020. However, negotiations regarding the sourcing of project funding is continuing along with range of other activities that can be performed from abroad as well as within Brazil.

The Company expects that mobilisation of construction teams to site will be possible in early 2021 when the coronavirus restrictions are expected to be relaxed sufficiently to allow freer movement of personnel and equipment.

Consequently, Big River has sought expressions of interest (**EOI**) from EPCM contractors who could undertake detailed engineering design, establish project teams and identify long lead-time capital items. This work will be funded with existing cash reserves and other project financing.

### Project Funding – Engagement of Auramet International

Big River is pleased to announce that it has engaged Auramet International LLC (**Auramet**) to assist with securing the debt funding component of the Borborema project finance.

As previously reported, the response of potential financiers within Brazil has been slow, largely due to the instability of the financial markets and impact on travel due to COVID-19. Consequently, the Company is widening its search and Auramet is ideally placed to assist with that.

Auramet is a well-connected precious metals merchant and advisory firm based in North America with a proven track record in closing project finance mandates and financing mining projects in the Americas, Africa, Europe and Australia. They have extensive and long-standing experience in the global junior mining market, mining finance and specifically the Brazilian gold sector having worked with the majority of mining companies currently operating in the country.

## Project Progress

### Appointment of EPCM contractors

In anticipation of securing project funding and to continue development momentum, Big River has advanced the process leading to appointment of the EPCM contractor for project implementation.

Invitations were issued to selected engineering groups with proven experience in developing and commissioning gold projects of similar size in Brazil to provide an EOI for the implementation of the Borborema Project. The Company has prepared a short list of bidders to receive EPCM enquiry documents.



Figure 1. View to the south west over the Borborema pit showing the exposed ore zone and infrastructure.

### Other activities

Work continued on progressing other Borborema planning and site works.

#### *Environmental*

- Discussions and planning with IDEMA (Environment Agency of Rio Grande do Norte State) continued in relation to the licensing of the road access and the installation of the sewage treatment plant and pipeline.
- IDEMA also renewed the Operating Licence for the Borborema plant which is testament to the Company's performance on site to date.

### *COSERN (Electric Power Agency of Rio Grande do Norte State)*

- The Company has continued to work with the COSERN team via virtual meetings and progressed all necessary measures including the application for Federal Electric Power Agency authorizations which imminent return is anticipated.
- The Cascar Brazil team is also progressing the final design layout of the power line with COSERN and the agency's consent.

### *DNIT (Federal Roads Agency)*

- The Company presented DNIT with the designs for the construction of the 30 km greywater pipeline and access to be built alongside Highway 226 from Currais Novos to the Borborema project.
- DNIT requested further information which was provided and the Company expects to receive the authorizations and permissions in the next few months.

### **Mica Testwork**

Testwork on producing a saleable mica concentrate from the Borborema plant tailings progressed well. Aspects that could be actioned from abroad were completed during August. The remaining tests on plasticity and compounding characteristics were delayed as these works were being conducted from Melbourne which was forcibly shut due to COVID-19 and samples had to be retrieved and sent to another facility which has a more limited capacity to complete the tests which are currently being undertaken.

In summary, the results achieved by Nagrom during August were very encouraging:

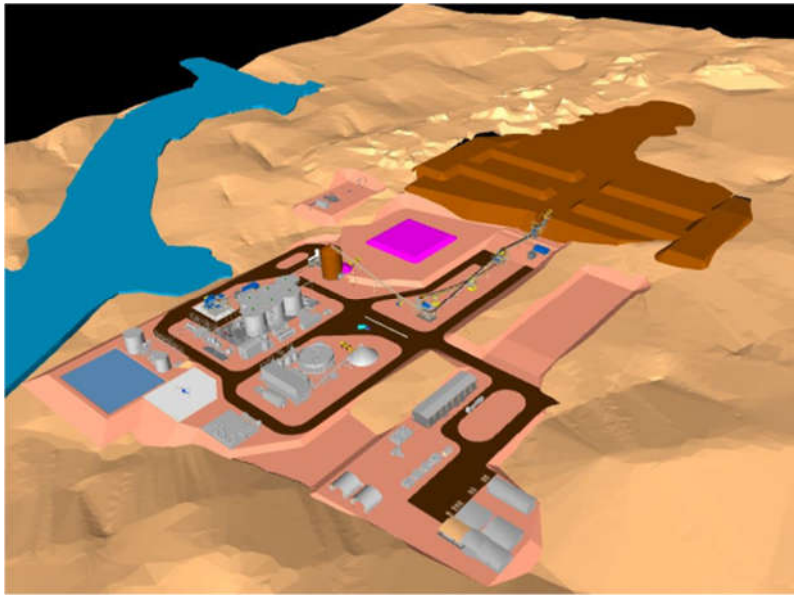
- A final grade mica concentrate was achieved that is equivalent or slightly better than that produced by ANZAPLAN and by removing the desliming stage provides a 25% better mass yield.
- The Nagrom magnetic separation circuit is much less complex than was previously proposed with only 3 stages of magnetic separation required in Nagrom's program compared to the 6 stages in the ANZAPLAN flowsheet. The reduction in the number of stages will result in improved capital and operating costs.
- Nagrom have demonstrated that the use of conventional fine grinding equipment is able to produce a product that is similar to that sold into the plastic and polymer markets.

Overall the results have continued the positive trend of previous testwork and identified further improvements in product quality and costs. At present the plan is to take the simplest route and produce a bulk concentrate that will target the plastic filler market. Sample results will be made available to prospective purchasers in the next few weeks.

Additional products with characteristics suitable for other markets may be considered after feedback from the prospective purchasers regarding their requirements.

### **Posse Sale Receipts**

The final instalment has been received which concludes the sale of the Posse iron mine in 2017. A total of R\$3,500,000 (~A\$920,000) was received in several instalments that commenced in April 2020.



*Figure 2. View to the north east showing the Borborema plant layout*



*Figure 3. View to the south of the Borborema plant layout, showing grinding circuit, CIL tanks and fine ore bin/emergency stockpile feeder to the left*

*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 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\$534/oz and AISC of US\$713/oz.

Assuming a gold price of US\$1,550 per ounce, the pre-tax NPV (8%) returned US\$342M with an IRR of 64.7%. The project returns an average EBITDA of US\$72M pa.

## **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. All material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply or have been updated in the attached JORC Table 1.

That portion of the Ore Reserve that was included in the Stage 1 Mining Schedule for the December 2019 Definitive Feasibility Study (DFS) was reviewed by Porfirio Cabaleiro Rodriguez, BSc. (MEng), MAIG of GE21 as part of the DFS. The Ore Reserve was first reported in accordance with ASX Listing Rule 5.9 on 24 July 2017 and updated on 6 March 2018 and is based on information compiled by Mr. Linton Kirk, Competent Person who is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy. Mr. Kirk is employed by Kirk Mining Consultants Pty Ltd and is an independent consultant to the company.