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\$20M PLACEMENT TO ADVANCE BORBOREMA PROJECT DEVELOPMENT, DUNDEE GOODMAN MERCHANT PARTNERS A CORNERSTONE INVESTOR

- **Successful placement of A\$20.4M (approximately US\$15M) before costs at A\$0.05 per share was made to institutional and sophisticated investors.**
- **Includes A\$8.0 million cornerstone investment by highly experienced Canadian-based resource investor, Dundee Goodman Merchant Partners.**
- **The Placement was strongly supported, with a number of new offshore and Australian institutional investors introduced to the register.**
- **Proceeds to be used to advance development and construction at the 100%-owned 2.43Moz Borborema Gold Project including review of design options to facilitate Stage 2 expansion if confirmed to be viable.**

Big River Gold Ltd (ASX: BRV) (**Company** or **Big River**) is pleased to announce the successful completion of a two tranche placement to raise A\$20.4M (approximately US\$15M) (**'Placement'**) before costs. Funds raised from the Placement will be used to advance the development and construction of the Company's 100%-owned 2.43Moz Borborema Gold Project in north-east Brazil.

The new shares to be issued under the Placement are priced at A\$0.05 which represents a 10.5% discount to the volume weighted average price (VWAP) over the 5 days of trading prior to the Company's trading halt on Wednesday 2 December, 2020 at which time Big River Gold's closing price was A\$0.059.

There was very strong demand for the Placement from a number of Australian and international institutional and sophisticated resource investors, including an A\$8.0 million cornerstone investment from highly experienced Canadian-based resource investor, Dundee Goodman Merchant Partners (**Dundee**).

The significant support for the Placement demonstrates confidence in the investment proposition of the Borborema project and will strengthen the Company's profile in the local and international markets. Upon completion of the second tranche of the Placement Dundee Corporation will hold approximately 9.2% of the Company's issued ordinary shares.

Dundee, Jett Capital Advisors LLC and Petra Capital acted as Joint Lead Managers and Joint Bookrunners to the Placement.

Executive Chairman Mr Andrew Richards stated:

"We are delighted with the support for the placement and welcome a number of new Australian and offshore institutional investors to the register.

Dundee, a cornerstone investor to the placement, is a highly experienced investor in the resources sector with extensive experience in both gold and nickel operations. Following the completion of a thorough due-diligence process, Dundee share our view of the significant potential of the Borborema Gold Project.

The funds raised in this placement will be used to advance the development and construction of Stage 1 operation at Borborema as well as review the optimal plant design in anticipation of a future expansion of the 2Mtpa Stage 1 operation.

The Mineral Reserve at Borborema is currently 1.6 million ounces of which over half is outside of the currently planned Stage 1 operation. There are clear extensions to mineralisation down plunge (as yet untested by drilling) and down dip as demonstrated by the 566,000 ounce Inferred Resource immediately adjoining the defined Reserve. These could further improve the project economics if successfully converted in whole or part to at least Indicated Resource category.

This injection of funds will not only accelerate the development of Borborema but greatly strengthen the Company's balance sheet, shareholder register and Company profile in anticipation of finalising full project funding."

While the Definitive Feasibility Studies (DFS) completed to date demonstrate the very robust and profitable economics of the proposed Stage 1 operation, the additional attraction of the Borborema Project for incoming investors is the long term potential and scale of the Project beyond Stage 1 including:

- Extending the planned operation to mine the additional ~800,000 ounces gold Mineral Reserves that remain outside the current Stage 1 mine schedule¹;
- Exploration prospectivity and potential to upgrade, in whole or part, the 566,000 ounce Inferred Mineral Resource that exists immediately below and down dip of the currently defined Reserves, and
- The potential to significantly expand mine throughput above the initial 2Mtpa to better align the plant size with anticipated reserves, subject to water management and securing water supply.

Consequently, the Placement provides the opportunity to bring engineering studies forward to modify and optimise the existing Stage 1 design so as to minimise disruption and downtime when transitioning to a Stage 2 expansion, should it be proven viable. Provision has been made in the revised total project capital cost of US\$107M to accommodate changes in engineering as well as plant and infrastructure construction, pre-production and owners costs.

Use of Funds

The funds raised by the Placement are intended to be primarily applied towards physically advancing the Borborema project in several key areas:

- Undertaking early infrastructure works including water catchment and finalising the water pipeline and power supply;
- Completion of an option study of optimal plant designs to ensure a seamless expansion of the Stage 1 operation should that be proven viable;
- Detailed engineering design and accelerating plant expansion studies;
- Appointing a Project Team to manage implementation as well as mine production and grade control teams, and,

¹ Refer ASX announcements dated 6 March, 2018 and 23 December, 2019.

- Undertake drilling programs for detailed mine planning and resource definition and exploration in and around the current planned pit.

Part of the funds raised are also intended to be applied towards general working capital and the costs of the Placement.

Placement

Under the Placement the Company will issue a total of 408 million shares at an issue price of \$0.05 per share, as follows:

- 168,334,685 shares will be issued under the Company's Listing Rule 7.1 placement capacity (**Tranche 1 Shares**);
- 239,665,315 shares will be issued subject to the receipt of prior shareholder approval, to be sought at a general meeting to be convened for mid-January, 2021 (**Tranche 2 Shares**).

Each of the Directors intend to participate in the Placement, for a total of 3.2 million shares of the Tranche 2 Shares which is subject to the receipt of prior shareholder approval.

Settlement of the Tranche 1 Shares is expected to occur on or about 11 December 2020, with quotation expected to commence on 14 December 2020.

As part consideration for the joint lead manager services provided in connection with the Placement, the Company has agreed to issue the joint lead managers 24.48 million unquoted options exercisable at A\$0.06 expiring 3 years after the date of issue. The issue of these options is subject to shareholder approval.



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

About Dundee Goodman Merchant Partners (Dundee)

Dundee (<http://www.dundeegoodmanmerchantpartners.com>) is an established Canadian resource investment group which undertakes a rigorous due diligence process prior to committing to a new investment. Dundee is a Tier 1 investor and operator with projects around the world including Brazil. Each investment opportunity is assessed in detail by a team of industry experts with experience in all facets of the resource sector. This approach enables Dundee to align themselves strategically as a long-term investor to support investee companies through the exploration and development process, using their extensive technical and mine-building experience.

A large part of Dundee's overall assessment process revolves around risk management and a deep understanding of the importance of having a social licence to operate. To that end, Dundee integrates all of the social issues (which have been defined by the industry as Environmental, Social and Governance issues), into their overall investment analysis and risk management strategy as part of their due diligence process.

Dundee is a signatory to the United Nations supported Principles of Responsible Investment (PRI) initiative.

For the purpose of Listing Rule 15.5, the Board has authorized for this announcement to be released.



Andrew Richards
Executive Chairman
Big River Gold Ltd

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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 and updated following a review as detailed in the ASX Announcement of 9 July 2020. 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.

The Company confirms that all the material assumptions underpinning the production targets and the forecast financial information in the announcements of 23 December 2019 and 9 July 2020 continue to apply and have not materially changed.

Mineral Resource & Reserve

Borborema contains a Mineral Resource (JORC 2012) totalling 69Mt at 1.1g/t Au containing 2.43 Moz gold (refer ASX Announcement dated 24 July 2017).

A Total Mineral Reserve for the Borborema Gold Project (Stages 1 – 3) was announced to the ASX on 6 March 2018 and the resulting Mineral Resources and Reserve estimates reported in accordance with the JORC (2012) Reporting Guidelines are presented in Tables 1 and 2 below. The Mineral Resources are inclusive of the Mineral Reserves.

Table 1. Borborema Mineral Resource by Multiple Indicator Kriging estimation

Category (>0.5g/t COG)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (kOz)
Measured	8.2	1.22	320
Indicated	42.8	1.12	1,547
Measured + Indicated	51.0	1.14	1,867
Inferred	17.6	1.00	566
Total Resource	68.6	1.10	2,430

Mineral Resource (JORC 2012) 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. (ASX Announcement 24 July 2017).

Table 2. Borborema Total Mineral Reserves as at 6 March, 2018

Category	Tonnes (Mt)	Grade (g/t Au)	Contained Au (kOz)
Proven			
Oxide	0.65	0.80	17
Sulphide	7.26	1.25	292
Probable			
Oxide	1.68	0.70	38
Sulphide	32.82	1.20	1,260
Total in Pit Reserve	42.41	1.18	1,610

Total Ore Reserve estimate for the Borborema Gold Project (Stages 1- 3), Reported at a 0.4g/t Au cut-off for oxide and 0.5 g/t Au cut-off for fresh material. Note appropriate rounding has been applied, subtotals may not equate total figures.

The Mineral Reserves are entirely in the Proven or Probable category as they are derived from the Measured and Indicated categories of the Mineral Resource. No Inferred category resource is included in the production targets of the Company. The reader is referred to the previous announcements for details.

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 the announcements of 6 March 2018, 29 March 2018 and 11 April 2018 and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

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.