

ACCELERATION OF BORBOREMA DEVELOPMENT: UPDATE TO SHAREHOLDERS

- **Company is well funded enabling acceleration of key civil works and exploration programs while improving project design for capital efficiency.**
 - **Option review of plant design is underway to ensure seamless transition for anticipated future expansion of initial 2Mtpa operation.**
 - **Project financing process will resume and accommodate results of option review.**
 - **Quotes received for design and construction of water dyke catchment.**
 - **Applications submitted to secure additional process water.**
 - **Powerline capacity review for possible expansion completed.**
 - **Project and Owners Teams being strengthened to manage project development and construction phases.**
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Big River Gold Ltd (ASX: BRV) (the **Company** or **Big River**) wishes to advise shareholders of progress in advancing the Borborema Gold Project (**BGP**) and exploration in the surrounding area.

Since receiving the first Tranche of funds from the Placement of A\$20 million announced to the ASX on 7 December, 2020, the Company has commenced with an active program designed to de-risk and advance the BGP, investigate plant design options that would better facilitate future expansion and recommence exploration in and around the BGP.

With the balance of the Placement received after the Shareholder Meeting on 28 January, 2021, Big River will be well funded to allow the acceleration of key civil works while also conducting a more in-depth review of critical issues to ensure the BGP incorporates the most efficient capital spend to extract maximum value from the project.

Despite the impact of COVID-19, travel to the Borborema Project site is still possible with appropriate precautions and activities are still being undertaken on behalf of Big River by various engineering groups. The project timeline is not expected to be materially impacted.

The main areas of activity include:

1. Option study of comminution circuits to facilitate a possible future expansion.
2. Early commencement of water catchment construction.
3. Securing additional water supply.
4. Power line design and consideration of possible future capacity requirements.
5. Establishing an Owners Team to implement project construction.
6. Preparing exploration programs targeting high grade mineralisation in and around the planned pits.

Plans to secure project finance will resume following the end of year break and required due diligence will accommodate the results of the plant option review.

Project Progress

Plant design option review – planning for the future

The mine plan as outlined in the July 2020 Definitive Feasibility Study (**DFS**) is to commence with a processing plant designed with a throughput of 2 million tonnes per annum (Mtpa) and anticipates a future expansion to a throughput of up to 4Mtpa. Any future expansion will be subject to ongoing economic and technical studies and the availability of sufficient process water. However, the BGP currently holds permits for a 4Mtpa operation and it is the Boards view that an expansion up to that level would be a better match for a project that comprises 42.4Mt reserves containing 1.61M oz gold. That reserve figure excludes any of the 17Mt contained within the inferred resource category.

The option review seeks to ensure that the current DFS plant design is best suited for any anticipated expansion without incurring excessive capital costs or disruption to production that could be prevented by improved planning and provisions now.

Importantly the essential process path will not change but certain equipment choices and/or layout may be refined. This process is being undertaken by Wave International Ltd using previously quoted costs. It is anticipated that the initial phase will take only a few weeks although additional time may be required to bring any revisions up to the necessary level of accuracy during the first quarter of 2021.

The appointment of an EPCM contractor for project implementation will be finalised subsequent to the review.



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

Water catchment construction fast tracked

Construction of the water dyke and catchment will commence earlier than previously anticipated to take advantage of any rainfall that may occur before the mine is commissioned. Engineering groups have quoted to complete detailed design following geotechnical and other ground assessment. Construction of the water dam should be completed in the third quarter of 2021.

Securing additional process (sewage) water

The current DFS plant design of 2Mtpa is underpinned by the sewage water offtake contract supplying 70m³/hr that was finalised with the Currais Novos Water Authority (CAERN). Big River is actively looking to secure additional supplies from several sources. Options include increasing the size of the offtake agreement with CAERN and a formal request to increase that supply was submitted by Big River in January 2021.

The Company is confident that additional process water supplies will be secured in the short to medium term.

In the meantime, upgrades to the greywater collection system at Currais Novos have been undertaken in and around the *Caça e Pesca* treated effluent pumping station.



Figures 2(a) and (b). View to the Caça e Pesca effluent pumping station and the greywater channel upgrade.

Powerline capacity allows for growth

Big River recently received authorisation from the ONS (National Operator of Electrical Systems) to connect with the national grid. The Company is now finalising the Technical and Commercial contract (Power Agreement) with COSERN (the Electric Power Agency of Rio Grande do Norte State) which is a standard contract that will commence when the BGP starts consuming power.

The current design of the powerline agreed between Big River and COSERN was reviewed and deemed to be adequate to meet the power requirements of a possible plant expansion to between 3.5Mtpa and 4Mtpa without material changes.

Owners Team and Project Management

The Owners Team is being established with recruitment under way to appoint senior project management to supervise the EPCM process and project construction – in particular the detailed engineering, scheduling and procurement processes.

The Company is also seeking to reinforce its exploration team in line with the plans above and the recommencement of regional and near mine exploration efforts.

Exploration Re-activated

With additional funding, exploration programs in the tenements around and along strike of the BGP are being re-activated, subject to appropriate Covid19 restrictions and safety precautions.

In addition, planning has commenced to test previously undrilled high-grade zones adjacent to the reserve and pit designs (Targets A and B in Figure 3) as well as attempt to upgrade part of the 560,000 oz gold Inferred resource immediately below the reserve to Indicated status (Target B in Figure 3).

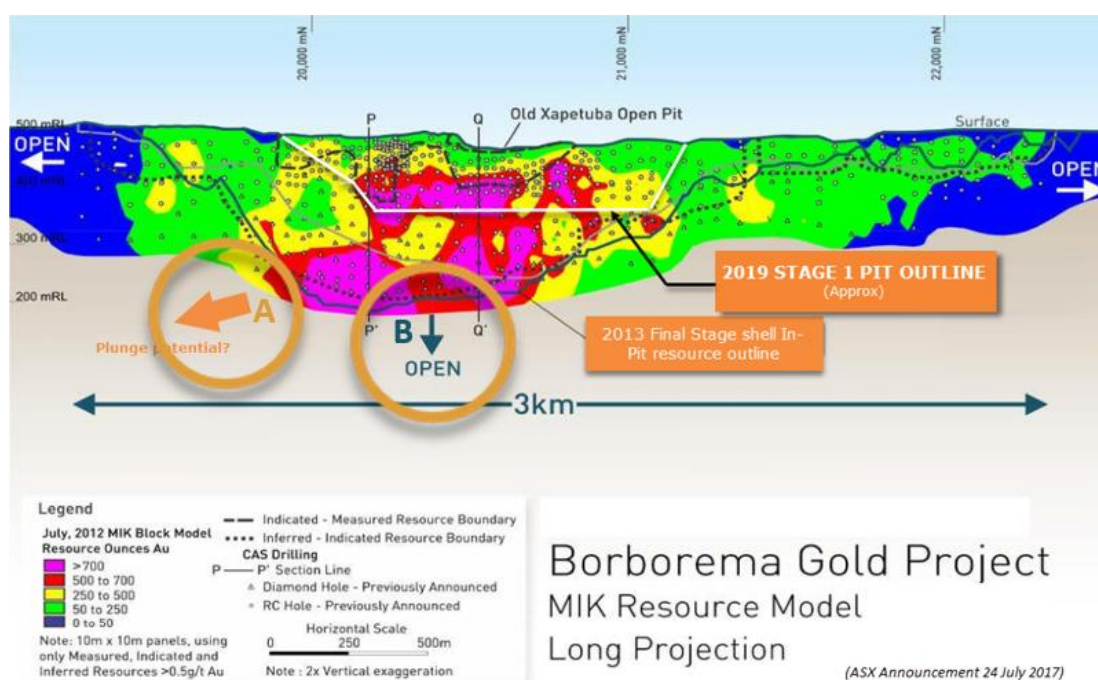


Figure 3. Long section of the Borborema resource showing near-mine high grade exploration targets.

Mica Testwork & Marketing Study

Testwork on producing a saleable mica concentrate from the Borborema plant tailings was completed during December. This included tests on plasticity and compounding characteristics which were conducted in the UK due to COVID-19 constraints in Melbourne.

A final report is currently being finalised through NAGROM in Perth and the James Hutton Institute in the UK and full details of this work and its results will be made available to the market upon receipt.

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\$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.

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.