

## LETTER TO SHAREHOLDERS

Dear Shareholder,

These are trying times both globally and on the ASX. In recent trading it can be hard to understand some of the decisions being made but there is undoubtedly fear, uncertainty and extenuating circumstances such as margin lending pressures weighing heavily on Stock Exchanges around the world. I am sure you have seen numerous reviews and articles explaining recent events and foretelling the future, not always in agreeance, and I won't speculate here.

However, it is timely to remind shareholders of the fundamental strengths of Big River Gold and how the Board is dealing with the coronavirus pandemic, its fallout and plans to move the Borborema Gold Project forward.

Most notably:

- Big River Gold is well funded with no big ticket construction costs imminent. As at 23 March, 2020 we had cash totalling \$3.3 million. At current cash burn rates that is sufficient to fund activities into 2021,
- We are keeping staff numbers low, reducing costs and maintaining low overheads while essential engineering works continue,
- We have advanced negotiations with potential financiers who are undertaking their due diligence and that will continue,
- We are improving aspects of the recently completed Definitive Feasibility Study (DFS) as recommended in that Study. These improvements are targeting operational efficiencies and/or costs and work is continuing in both Australia and Brazil
- Coming out of the pandemic we expect to be in a solid cash position, with a robust project in the desirable gold sector and have advanced towards developing the Borborema Project.

The Company has closed all offices and personnel are working from home. All travel and face-to-face contact meetings have been suspended. Having previously had to liaise and work across several time zones we find ourselves well adapted to this way of working.

We anticipate that some delays and issues may arise due to the volatility of the markets and the impact of coronavirus restrictions. This includes the appetite of financiers, the question of maintaining value for shareholders in any equity raising and the ability of personnel, including consultants/contractors, to access data and communicate. However, we consider these to be manageable.

Work is still progressing well and we are prepared to come out the other side in a strong position within a good industry sector and able to take advantage of any opportunities that may arise. Our view on the gold sector remains bullish and there will be a flight to quality by investors seeking a secure investment at a time of low interest rates. Big River believes it will meet those criteria.

I can reassure you that the Board is heavily committed to ensuring that we get the best possible outcome for shareholders and work is not slowing, notwithstanding any potential issues that may arise from the pandemic. The Company's fundamentals are sound, the outlook for gold appears good and we are in an enviable cash position.

Thank you for your forbearance and we look forward to your continued support.

*For and 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 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.

#### **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.

#### **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).

Stage 1 mining schedules less than half of the original Mineral Reserve and Resource which will be targeted for later stage's of operation. No inferred category Mineral Resources were included in the Stage 1 mine schedule.