

BIG RIVER GOLD LIMITED
(formerly Crusader Resources Limited)

A B N: 94 106 641 963

Half year Financial Report

For the half-year ended 30 June 2019

Corporate Directory

Directors

| | |
|-----------------|------------------------|
| Stephen Copulos | Chairman |
| Andrew Richards | Executive Director |
| John Evans | Non-Executive Director |

Company Secretary

Andrew Beigel

Registered office and principal place of business

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221 St Georges Terrace
Perth WA 6000
Australia
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Internet: www.bigrivergold.com.au

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Auditors

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9365 7000
Facsimile: +61 8 9365 7001

Bankers

Bank of Western Australia Ltd
Perth Business Banking Centre
50 William Street
Perth WA 6000

Share Registry (Australia)

Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6959
Telephone: +61 8 9315 0933
Facsimile: +61 8 9315 2233

Solicitors

Bellanhouse
Level 19, Alluvion, 58 Mounts Bay Rd
Perth WA 6000
Telephone: +61 8 6355 6888

ASX Code:

Ordinary shares - BRV

Directors' Report

The directors present their report together with the financial report of Big River Gold Limited, formerly Crusader Resources Limited, ("the Company" or "Big River") and its subsidiaries (the "Group") for the half-year ended 30 June 2019, and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are set out below. Directors were in office for the entire period unless otherwise stated.

Name

| | |
|--------------------|---|
| Mr. S. Copulos | Non-executive Chairman - appointed 28 February 2019 |
| Mr. J. Evans | Non-executive Director |
| Mr. A. Richards | Executive Director – appointed 28 February 2019 |
| Mr. M. Engelbrecht | Managing Director – resigned 28 February 2019 |
| Mr. A. Vickerman | Non-executive Chairman - resigned 28 February 2019 |
| Mr. P. Stephen | Executive Director – resigned 30 January 2019 |

Operating Result

The Group incurred an after tax loss for the half-year ended 30 June 2019 of \$1,450,112 (30 June 2018: loss of \$4,063,577).

Review of operations

Corporate

During the reporting period, the Company issued convertible notes at a value of \$1,000,000 to Spacetime Pty Ltd (\$300,000) and Eyeon Investments Pty Ltd (\$700,000), both being part of the Copulos Group of Companies, to provide additional working capital. The term of the notes is 12 months, with an interest rate of 8% p.a. payable at maturity or conversion and with a conversion price of \$0.01 per share. The Copulos group also provided a short term loan during the period of \$750,000, with interest payable at the rate of 5% per 30 day period, repayable upon completion of the Entitlements Issue.

The Company completed a placement of 22.5 million shares at an issue price of \$0.01 each, to raise \$225,000 before costs.

The Company opened a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 2 new Shares for every 3 Shares held at an issue price of \$0.01 each, to raise \$4,112,472 (before costs), with 1 attaching option (exercisable at \$0.02 each on or before 30 June 2022) for every 3 new Shares subscribed for the Entitlements Issue. The offer closed on 25 June 2019 and securities were issued on 4 July 2019.

The Company completed its departure from the AIM exchange on 8 March 2019.

Borborema Gold Project

During the half-year Big River (previously Crusader Resources Ltd) commenced a tender process with selected engineering consulting groups for the completion of the Definitive Feasibility Study (DFS) for the Borborema Gold Project. In July 2019 the Company appointed Perth based engineering consulting group, Wave International Ltd (Wave) as the study manager.

The Scope of Work includes, among other things, the supervision of remaining metallurgical testwork, optimisation of the 2Mtpa flowsheet, design for the process plant as well as related infrastructure including site power reticulation and on-site water treatment and distribution. The engineering work during this stage will enable formal quotations to be solicited from the market in order to define the project capital to a DFS level of accuracy.

Wave has reviewed the extensive amount of work completed to date and developed some preliminary designs. They were recently on site to address matters arising from that review and confirm the direction for engineering development. Wave is scheduled to complete the DFS by Q4, 2019.

Following a review of the existing Borborema resource model, a higher-grade component was identified at surface within the Stage 1 pit design. Grupo GE21 Mineral Consultants (GE21), has been appointed to review and update the mine schedule at higher cut off grades and complete the staged pit design and associated infrastructure planning.

It is expected that incorporation of the higher grade resource into the mining schedule will result in improved economics for the Borborema Project. The revised mining schedule will be considered in the DFS and lead to an updated cashflow model for inclusion in the DFS.

During the period the Installation Permit for the Borborema Gold Project was granted by the Rio Grande do Norte State Government Environmental Department (IDEMA). The application had been submitted by the Company in November 2018 following preparation of the project's processing plant design by Ausenco do Brasil Engenharia Ltda.

This is a very significant step forward for the project and Company as licensing is one of the most difficult and time-consuming hurdles in establishing a new mine in Brazil. The terms and conditions associated with the Installation Permit are standard in nature but covers an area of 490 ha and permits an operation producing and processing up to 4.2 million tonnes per year.

Juruena Gold Project

The Company finalised the sale of its Juruena-Novo Astro Gold projects to Meteoric Resources NL (MEI) on 31 May 2019. The upfront and contingent consideration for the sale consisted of the following:

- (1) \$1,000,000 cash at settlement.
- (2) \$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).
- (3) \$750,000 of MEI shares or cash at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.
- (4) \$750,000 of MEI shares or cash at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Given that there is some uncertainty regarding the conditions 3 and 4 above, the contingent consideration has not yet been recognised. Also refer to Note 16.

Subsequent Events

Subsequent to the end of the reporting period the following events occurred:

On 4 July 2019 the Company completed an Entitlements issue which raised \$4,112,472 (before costs) with the issue of 411,247,201 shares and 137,082,512 attaching options being issued on 4 July 2019. In addition, 42,000,000 options were issued to the underwriters.

On 9 July 2019 the suspension of Company's securities trading on the ASX was lifted.

On 5 August 2019 the Company announced it had completed a capital raising with sophisticated investors and institutions which raised \$1.5 million (before costs) with the issue of 125,000,000 shares.

On 29 August 2019 the Company announced it had established a sale facility for shareholders holding less than marketable parcels of shares to sell these without incurring broking fees.

On 12 Sept 2019 the Company announced that the Copulos Group had elected to convert the \$1,500,000 of Convertible Notes it held with the Company plus accrued interest. The conversion was completed in accordance with the terms of the Convertible notes and approval of shareholders on 12 June 2019, at the price of \$0.01 per share.

Auditor Independence Declaration

The auditor's independence declaration is included on page 24 of the half-year report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors



A. Richards
Executive Director

Perth, 13 September 2019

Competent Person Statement

The information in this report that relates to the Mineral Resource estimate for the Borborema Gold project was first reported in accordance with ASX Listing Rule 5.8 on 24 July 2017. Big River (previously Crusader) 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.

The information in this report 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 (previously Crusader) confirms that it is not aware of any new information or data that materially affects the information included in these previous announcements and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

The information in this announcement that relates to exploration results for the Borborema Gold Project was first reported in accordance with ASX Listing Rule 5.7 on 28 January 2015. Big River confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 28 January 2015 and 24 July 2017.

Index to the condensed consolidated financial statements

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2019**

| | Note | Consolidated Half-year ended | |
|--|------|---------------------------------|--------------------|
| | | 30 June 2019 | 30 June 2018 |
| | | \$ | \$ |
| Continuing operations | | | |
| Gross Profit | | - | - |
| Other income | 4 | 187,274 | 30,055 |
| Fair value gain on equity investment at FVPL | 8 | 750,000 | - |
| Administration | | (400,889) | (708,643) |
| Corporate expenses | | (1,287,158) | (2,878,780) |
| Business Development | | - | - |
| Finance costs | 5 | (269,251) | (307,031) |
| Depreciation and amortisation | | (11,235) | (14,337) |
| Exploration and evaluation | 9 | (8,278) | (32,517) |
| Unrealised foreign exchange (loss)/gain | | (7,245) | (68,545) |
| Other (income) from ordinary activities | | 17,340 | (66,932) |
| Loss before income tax | | (1,029,442) | (4,046,730) |
| Income tax expense | 6 | - | - |
| Net loss from continuing operations | | (1,029,442) | (4,046,730) |
| Discontinued Operations | | | |
| Net profit (loss) from discontinued operations - Juruena | 16 | (420,670) | (16,847) |
| Net loss for the period | | (1,450,112) | (4,063,577) |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences arising on translation of foreign operations | | 160,716 | (1,513,487) |
| Income tax relating to components of other comprehensive income | | - | - |
| Other comprehensive income for the period, net of income tax | | 160,716 | (1,513,487) |
| Total comprehensive (loss)/income for the period attributable to owners of the parent | | (1,289,396) | (5,577,064) |
| Loss per share | | | |
| From continuing and discontinued operations | | | |
| Basic (cents per share) | 15 | (0.26) | (1.03) |
| Diluted (cents per share) | 15 | (0.26) | (1.03) |
| From continuing operations | | | |
| Basic (cents per share) | 15 | (0.18) | (1.02) |
| Diluted (cents per share) | 15 | (0.18) | (1.02) |

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

| | Note | Consolidated | |
|---|------|----------------------|----------------------|
| | | 30 Jun 2019 \$ | 31 Dec 2018 \$ |
| Current Assets | | | |
| Cash and cash equivalents ¹ | | 1,224,935 | 432,228 |
| Trade and other receivables | 7 | 114,686 | 88,428 |
| Other current assets | | 221,251 | 239,798 |
| Financial assets at fair value through profit or loss | 8 | 1,250,000 | - |
| Assets classified as held for sale | | - | 1,535,587 |
| Total Current Assets | | 2,810,872 | 2,296,041 |
| Non-Current Assets | | | |
| Exploration and evaluation assets | 9 | 19,664,486 | 19,325,779 |
| Property, plant and equipment | | 103,110 | 113,713 |
| Total Non-Current Assets | | 19,767,596 | 19,439,492 |
| Total Assets | | 22,578,468 | 21,735,533 |
| Current Liabilities | | | |
| Trade and other payables | | 2,167,947 | 1,850,411 |
| Borrowings | 10 | 2,143,209 | 1,247,859 |
| Liabilities directly associated with assets classified as held for sale | | - | 35,587 |
| Total Current Liabilities | | 4,311,156 | 3,133,857 |
| Non-Current Liabilities | | | |
| Trade and other payables | | 637,479 | 660,775 |
| Total Non-Current Liabilities | | 637,479 | 660,775 |
| Total Liabilities | | 4,948,636 | 3,794,632 |
| Net Assets | | 17,629,833 | 17,940,901 |
| Equity | | | |
| Total equity attributable to equity holders of the Company | | | |
| Issued capital | 11 | 87,317,546 | 86,352,263 |
| Reserves | 12 | 9,721,461 | 9,547,702 |
| Retained earnings | | (79,409,174) | (77,959,064) |
| Total Equity | | 17,629,833 | 17,940,901 |

(1) Cash and cash equivalents at 30 June 2019 include restricted cash of \$464,269 (2018: nil).

The above Condensed Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2019**

| | Issued Capital | Retained Earnings | Reserves | | | | Total Equity |
|--|-------------------|----------------------|---|------------------------------------|--------------------------------------|------------------|--------------------|
| | | | Foreign Currency Translation Reserve | Share Based Payments Reserve | Investment Revaluation Reserve | Other Reserve | |
| Consolidated | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| At 1 January 2018 | 78,681,768 | (63,869,350) | (671,536) | 10,223,297 | 17,000 | 149,369 | 24,530,548 |
| Other comprehensive loss for period | - | - | (1,513,487) | - | - | - | (1,513,487) |
| Loss for the period (Restated) | - | (4,063,577) | - | - | - | - | (4,063,577) |
| Total comprehensive income for period | - | (4,063,577) | (1,513,487) | - | - | - | (5,577,064) |
| Shares issued | 8,893,104 | - | - | - | - | - | 8,893,104 |
| Share issued upon exercise of options | - | - | - | - | - | - | - |
| Share issue costs | (938,009) | - | - | - | - | - | (938,009) |
| Conversion of Convertible Note | - | - | - | - | - | (149,369) | (149,369) |
| Share Based Payments | - | - | - | 453,954 | - | - | 453,954 |
| At 30 June 2018 | 86,636,863 | (67,932,927) | (2,185,023) | 10,677,251 | 17,000 | - | 27,213,164 |
| At 1 January 2019 | 86,352,263 | (77,959,064) | (1,580,173) | 10,970,147 | - | 157,728 | 17,940,901 |
| Other comprehensive income for period | - | - | 160,716 | - | - | - | 910,716 |
| Loss for the period | - | (1,450,112) | - | - | - | - | (1,450,112) |
| Total comprehensive income for period | - | (1,450,112) | 160,716 | - | - | - | (1,289,396) |
| Shares issued | 1,147,203 | - | - | - | - | - | 1,147,203 |
| Share issued upon exercise of options | - | - | - | - | - | - | - |
| Share issue costs | (181,920) | - | - | - | - | - | (181,920) |
| Conversion of Convertible Note | - | - | - | - | - | 33,669 | 33,669 |
| Share Based Payments | - | - | - | (20,625) | - | - | (20,625) |
| At 30 June 2019 | 87,317,546 | (79,409,174) | (1,419,458) | 10,949,522 | - | 191,397 | 17,629,833 |

The above Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2019**

| | Consolidated | |
|---|-----------------------|-----------------------|
| | 30 June 2019 \$ | 30 June 2018 \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (1,982,336) | (3,618,922) |
| Finance Costs | - | (123,945) |
| Net cash used in operating activities | (1,982,336) | (3,742,867) |
| Cash flows from investing activities | | |
| Interest received | 3,914 | 7,230 |
| Receipts from disposal of property, plant and equipment | 1,144,835 | - |
| Payments for exploration and evaluation | (613,099) | (1,010,193) |
| Net cash provided by (used in) investing activities | 535,650 | (1,002,963) |
| Cash flows from financing activities | | |
| Proceeds from issues of equity securities ¹ | 689,269 | 5,708,609 |
| Costs of issuing securities | (181,920) | (636,009) |
| Repayment of borrowings | - | (1,500,000) |
| Proceeds of borrowings | 1,750,000 | - |
| Net cash provided by financing activities | 2,257,349 | 3,572,600 |
| Net (decrease)/increase in cash and cash equivalents | 810,663 | (1,173,230) |
| Cash and cash equivalents at the beginning of the financial period | 432,228 | 2,632,054 |
| Effect of exchange rate fluctuations on cash held in foreign currencies | (17,956) | (100,632) |
| Cash and cash equivalents at the end of the financial period | 1,224,935 | 1,358,192 |

(1) Includes \$464,269 restricted cash relating to equity securities to be issued.

The above Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Notes to the condensed consolidated financial statements

1. General Information

Big River Gold Limited, formerly Crusader Resources Limited, (“the Parent Entity” or “Big River” or “the Company”) is a listed public company incorporated in Australia and operating in Australia and Brazil. The Company changed its name to Big River Gold Limited on 12 June 2019. The address of the Company’s registered office and principal place of business is Level 29, 221 St Georges Terrace, Perth, Western Australia. The Consolidated Financial Statements of the Company as at, and for, the half-year ended 30 June 2019 comprise those of the Company and its subsidiaries (together referred to as the “the Consolidated Entity” or “the Group”). The Group is involved primarily in the mineral exploration industry.

2. Significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 ‘Interim Financial Reporting’. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period, unless otherwise stated.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company’s 2018 annual financial report for the twelve months ended 31 December 2018. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Cash and cash equivalents

Cash comprises cash balances and at call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Cash and cash equivalents at 30 June 2019 include restricted cash of \$464,269 (2018: nil).

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a loss of \$1,450,112 (2018: loss \$4,063,577) and experienced net cash outflows from operating and investing activities of \$1,446,686 (2018: outflows of \$4,745,830) for the half year ended 30 June 2019. As at 30 June 2019, the Group had a net current liability position of \$1,500,284 (31 December 2018: net current liabilities of \$837,816).

Cash and cash equivalents totalled \$1,224,935 as at 30 June 2019 (31 December 2018: \$432,228). Following completion of the rights issue as announced on 23 May 2019, cash and cash equivalents approximated \$4,100,000 as at 31 August 2019. On 12 Sept 2019 the Company converted the \$1,500,000 of Convertible Notes plus accrued interest held by the Copulos Group at the price of \$0.01 per share.

Notes to the condensed consolidated financial statements

The Directors have prepared a cash flow forecast for the Group out to 30 September 2020 which indicates the Group currently holds sufficient working capital to meet the expected cash outflows over this period based on budgeted operational requirements, which includes capital expenditure related to the Borborema DFS.

As at the date of signing this half year financial report, the Directors are managing the Group's cash flow requirements closely and continue to implement strategies that will streamline business processes and reduce ongoing expenditure.

The Directors consider that the Company has demonstrated a track record of successfully raising capital and expect that the Company will continue to do so in the future to support the Group's monthly cash flow requirements, including repayment of amounts due to creditors and other parties and the continued exploration and development spend committed at the Group's key projects.

As a result of the above, the Directors have prepared these financial statements on a going concern basis.

3. Segment information

The following table presents the revenue results information analysed by mineral resource for the half years ended 30 June 2019 and 30 June 2018. This is the group's primary basis of segmentation.

| Jun-2019 | Gold \$ | Unallocated \$ | Total \$ |
|---|------------------|-------------------|--------------------|
| Other revenue | - | 937,274 | 937,274 |
| Exploration and evaluation | (8,278) | - | (8,278) |
| Central administration costs | (424,762) | (1,263,285) | (1,688,047) |
| Business development costs | - | - | - |
| Depreciation and amortisation | (4,837) | (6,398) | (11,235) |
| Unrealised foreign exchange loss | - | (7,245) | (7,245) |
| Finance costs | - | (269,251) | (269,251) |
| Other expenses from ordinary activities | - | 17,340 | 17,340 |
| Segment Result | (437,877) | (591,565) | (1,029,442) |

| Jun-2018 | Gold \$ | Unallocated \$ | Total \$ |
|---|----------------|--------------------|--------------------|
| Other revenue | - | 30,055 | 30,055 |
| Exploration and evaluation | - | (32,517) | (32,517) |
| Central administration costs | - | (3,587,423) | (3,587,423) |
| Business development costs | - | - | - |
| Depreciation and amortisation | (5,263) | (9,074) | (14,337) |
| Unrealised foreign exchange loss | - | (68,545) | (68,545) |
| Finance costs | - | (307,031) | (307,031) |
| Other expenses from ordinary activities | - | (66,932) | (66,932) |
| Segment Result | (5,263) | (4,041,467) | (4,046,730) |

Notes to the condensed consolidated financial statements

The following is an analysis of the consolidated entity's assets by reportable operating segment:

| Jun-2019 | Gold | Unallocated | Total |
|--|-------------------|-----------------------------------|-------------------|
| | \$ | \$ | \$ |
| Current assets | 93,134 | 2,717,738 | 2,810,872 |
| Non-current assets | 19,733,952 | 33,645 | 19,767,596 |
| Total Assets | 19,827,086 | 2,751,383 | 22,578,468 |
| Current liabilities | 266,689 | 4,044,468 | 4,311,156 |
| Non-current liabilities | - | 637,479 | 637,479 |
| Total Liabilities | 266,689 | 4,681,947 | 4,948,635 |
| Net Assets / (Net Liabilities) | 19,560,397 | (1,930,564) | 17,629,833 |
| | | | |
| Dec-2018 | Gold | Corporate/ Unallocated | Total |
| | \$ | \$ | \$ |
| Current assets | 149,933 | 610,521 | 760,454 |
| Non-current assets | 19,399,689 | 39,803 | 19,439,492 |
| Assets classified as held for sale | 1,535,587 | - | 1,535,587 |
| Total Assets | 21,085,209 | 650,324 | 21,735,533 |
| Current liabilities | 304,818 | 2,793,452 | 3,098,270 |
| Non-current liabilities | - | 660,775 | 660,775 |
| Liabilities directly associated with assets classified as held for sale | 35,587 | - | 35,587 |
| Total Liabilities | 340,405 | 3,454,227 | 3,794,632 |
| Net Assets / (Net Liabilities) | 20,744,804 | (2,803,903) | 17,940,901 |

| | Consolidated Half-year ended | |
|--|---|-------------------------|
| | 30 June 2019 | 30 June 2018 |
| | \$ | \$ |

4. Other income

| | | |
|------------------------------------|----------------|---------------|
| Interest revenue | 3,181 | 7,512 |
| Proceeds from sale of fixed assets | 184,093 | - |
| Rental income and office services | - | 22,543 |
| | 187,274 | 30,055 |

Notes to the condensed consolidated financial statements

| | Consolidated Half-year ended | |
|--|---------------------------------|-----------------|
| | 30 June 2019 | 30 June 2018 |
| | \$ | \$ |

5. Finance costs

| | | |
|---|----------------|----------------|
| Interest expense | 269,251 | 188,827 |
| Amortisation of finance options and fees ¹ | - | 118,204 |
| | <u>269,251</u> | <u>307,031</u> |

(1) Relates to 15,771,763 share options issued to Stephen Copulos, Company Chairman. The fair value of the options issued has been recognised in the share option reserve.

6. Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit, or tax loss, for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

| | Consolidated | |
|--|----------------|----------------|
| | 30 Jun 2019 | 31 Dec 2018 |
| | \$ | \$ |

7. Trade and other receivables

| | | |
|-----------------------------------|----------------|---------------|
| Current | | |
| Trade receivables | 283,230 | 279,857 |
| Less provision for doubtful debts | (265,338) | (262,177) |
| Other receivables | 96,794 | 70,748 |
| | <u>114,686</u> | <u>88,428</u> |

Other receivables are non-interest bearing and include GST credits receivable from the Australian Taxation Office.

Notes to the condensed consolidated financial statements

| | Consolidated | |
|--|----------------------|----------------------|
| | 30 Jun 2019 \$ | 31 Dec 2018 \$ |

8. Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

Current assets

| | | |
|----------------------------|------------------|----------|
| Australian listed equities | 1,250,000 | - |
| | <u>1,250,000</u> | <u>-</u> |

Amounts recognised in profit or loss

During the year, the following gains (losses) were recognised in profit or loss:

| | | |
|--|----------------|----------|
| Fair value gains on equity investments at FVPL | 750,000 | - |
| | <u>750,000</u> | <u>-</u> |

| | Consolidated | |
|--|----------------------|----------------------|
| | 30 Jun 2019 \$ | 31 Dec 2018 \$ |

9. Exploration and evaluation assets

| | | |
|---|-------------------|-------------------|
| Costs brought forward | 19,325,779 | 27,955,110 |
| Expenditure incurred during the period | 323,693 | 1,763,314 |
| Expenditure expensed – continuing operations | (8,278) | (49,501) |
| Expenditure expensed – discontinuing operations | (149,625) | (7,963,715) |
| Effect of exchange rates | 172,917 | (2,379,429) |
| Costs carried forward | <u>19,664,486</u> | <u>19,325,779</u> |

The Group has exploration and evaluation assets relating to three mining leases covering a total area of 29km² including freehold title over the main prospect area, held in the Seridó area of the Borborema province in north-eastern Brazil. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

Impairment of Non-Current Assets

Non-financial assets are reviewed annually to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of recoverable amount is made.

Notes to the condensed consolidated financial statements

| | Consolidated | |
|---|----------------------|----------------------|
| | 30 Jun 2019 \$ | 31 Dec 2018 \$ |
| 10. Borrowings secured at amortised cost | | |
| Current | | |
| Convertible Notes | 1,393,209 | 1,247,859 |
| Loans | 750,000 | - |
| | <u>2,143,209</u> | <u>1,247,859</u> |

Convertible Notes

Effective November and December 2018 the Company executed \$1,400,000 of convertible debt facility agreements with interest of 8% per annum, payable half yearly, with a 12 month maturity date.

A total of \$900,000 of convertible notes plus accrued interest was converted into 92,220,281 shares at \$0.01 per share.

In February 2019 the Copulos Group entered into agreements for an additional \$1,000,000 of convertible notes on the same terms and conditions as the above issued convertible notes.

Copulos Group Short Term Loan

On 29 March 2019 the Company entered into an agreement with the Copulos Group to provide \$750,000 as a short term loan to be repaid upon receipt of funds from the next capital raising. The loan was unsecured, with interest and fees to be charged at 5% per 30 day period. This loan was repaid in full on 11 July 2019.

11. Issued capital

| Fully paid ordinary share capital | Jun-2019 | | Dec-2018 | |
|--|--------------------|-------------------|--------------------|-------------------|
| | No. | \$ | No. | \$ |
| Balance at the start of the financial period | 502,150,521 | 86,352,263 | 342,304,162 | 78,681,768 |
| Shares issued for cash | 22,500,000 | 225,000 | 102,619,608 | 5,730,232 |
| Share based payments | - | - | 57,226,751 | 3,162,871 |
| Shares issued on conversion of convertible notes | 92,220,281 | 922,203 | - | - |
| Capital raising costs | - | (181,920) | - | (1,222,608) |
| Balance at the end of the financial period | <u>616,870,802</u> | <u>87,317,546</u> | <u>502,150,521</u> | <u>86,352,263</u> |

Notes to the condensed consolidated financial statements

12. Reserves

Nature and purpose of reserves

The Share Based Payment Reserve is used to recognise the fair value of options and performance shares issued.

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The Investment Revaluation Reserve is used to record movements in the fair value of available-for-sale financial assets.

The Other Reserve (Convertible Note Reserve) represents the equity component (conversion rights) on the issue of unsecured convertible notes.

| | 30 Jun 2019 \$ | Consolidated | 31 Dec 2018 \$ |
|--------------------------------------|----------------------|--------------|----------------------|
| Reserves | | | |
| Share based payment reserve | 10,949,522 | | 10,970,147 |
| Foreign currency translation reserve | (1,419,458) | | (1,580,173) |
| Other reserve | 191,397 | | 157,728 |
| | <u>9,721,461</u> | | <u>9,547,702</u> |

13. Dividends

No dividends have been paid or provided for in the period.

14. Contingent liabilities

The group is not aware of any contingent liabilities which existed as at the end of the financial period or have arisen as at the date of this report.

15. Loss per share

Basic and diluted loss per share amounts are calculated by dividing net loss for the period attributable to equity holders of the parent, by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted loss per share computations:

| | 30 Jun 2019 \$ | 30 Jun 2018 \$ |
|---|----------------------|----------------------|
| Net (loss) / profit attributable to ordinary equity holders of the parent | (1,450,112) | (4,063,577) |
| | No. | No. |
| The weighted average number of ordinary shares on issue during the financial period used in the calculation of basic and diluted loss per share | 560,811,419 | 395,224,301 |

Due to the net loss position of the Group, any conversion to shares would be anti-dilutive.

Notes to the condensed consolidated financial statements

16. Discontinued operations

On 31 May 2019 the Company completed the sale agreement to sell its Juruena-Novo Astro Gold projects to Meteoric Resources NL (MEI). The consideration received consisted of the following:

Upfront consideration

- (1) \$1,000,000 cash at settlement.
- (2) \$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).

Contingent consideration

- (3) \$750,000 of MEI shares or cash at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.
- (4) \$750,000 of MEI shares or cash at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Given that there is some uncertainty regarding the conditions 3 and 4 above, the contingent consideration has not yet been recognised.

The Juruena Gold Project is reported as a discontinued operation, due to the sale.

Notes to the condensed consolidated financial statements

Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

| | 31 May 2019 \$ | 30 Jun 2018 \$ |
|--|----------------------|----------------------|
| Other income | - | - |
| Depreciation and amortisation | (4,641) | (5,870) |
| Other expenses from ordinary activities | (434,638) | (10,977) |
| Loss before income tax expense | (439,279) | (16,847) |
| Income tax expense | - | - |
| Profit (Loss) after income tax of discontinued operation | (439,279) | (16,847) |
| Profit on sale of Juruena, after income tax | 18,609 | - |
| Profit (Loss) from discontinued operations¹ | (420,670) | (16,847) |
| Net cash used in operating activities | (253,856) | - |
| Net cash from (used for) investing activities | - | (604,777) |
| Net cash from (used for) financing activities | - | - |
| Net cash (outflow)/inflow from the disposal group | (253,856) | (604,777) |
| Details of the sale of Juruena | | |
| Consideration received or receivable ² : | | |
| Cash | 964,000 | |
| Financial assets | 500,000 | |
| Receivables | 36,486 | |
| Total disposal consideration | 1,500,486 | |
| Carrying amount of net assets sold | (1,481,877) | |
| Profit on sale before income tax | 18,609 | |
| Income tax expense | - | |
| Profit on sale after income tax | 18,609 | |
| The carrying amount of assets and liabilities as at the date of sale (31 May 2019) were: | | |
| Exploration and evaluation assets | 1,516,315 | |
| Property, plant and equipment | 28,242 | |
| Other current assets | 59,950 | |
| Total assets | 1,604,507 | |
| Payables | (68,548) | |
| Employee provisions | (54,082) | |
| Total liabilities | (122,630) | |
| Net assets | 1,481,877 | |

- (1) The loss from discontinued operations of \$420,670 (2018: Loss of \$16,847) is attributable entirely to the owners of the Company.
- (2) The consideration received does not include the contingent consideration that might be received as performance shares should the conditions be met.

Notes to the condensed consolidated financial statements

17. Fair value of financial instruments

As at 30 June 2019, the consolidated entity had no financial assets or financial liabilities that are measured at fair value on a recurring basis, other than the financial assets at fair value through profit or loss disclosed in note 8, which are classified as Level 1 in the fair value hierarchy (derived from quoted prices).

The directors consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

18. Subsequent events

Subsequent to the end of the reporting period the following events occurred:

On 4 July 2019 the Company completed an Entitlements issue which raised \$4.11 million (before costs) with the issue of 411,247,201 Shares and 137,082,512 attaching options being issued on 4 July 2019. In addition, 42,000,000 Options were issued to the underwriters.

On 9 July 2019 the suspension of Company's securities trading on the ASX was lifted.

On 5 August 2019 the Company announced it has completed a capital raising with sophisticated investors and institutions which raised \$1.5 million (before costs) with the issue of 125,000,000 shares.

On 29 August 2019 the Company announced it had established a sale facility for shareholders holding less than marketable parcels of shares to sell these without incurring broking fees.

On 12 Sept 2019 the Company announced that the Copulos Group had elected to convert the \$1,500,000 of Convertible Notes it held with the Company plus accrued interest. The conversion was completed in accordance with the terms of the Convertible notes and approval of shareholders on 12 June 2019, at the price of \$0.01 per share.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



A Richards
Executive Director

Perth
13 September 2019

Independent Auditor's Review Report to the members of Big River Gold Limited (previously Crusader Resources Limited)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Big River Gold Limited, which comprises the condensed statement of financial position as at 30 June 2019, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Big River Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Big River Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Big River Gold Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Dave Andrews

Partner

Chartered Accountants

Perth, 13 September 2019

The Board of Directors
Big River Gold Limited
Level 29
221 St Georges Terrace
Perth WA 6000

13 September 2019

Dear Board Members

Big River Gold Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Big River Gold Limited.

As lead audit partner for the review of the financial statements of Big River Gold Limited for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants

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