

QUARTERLY ACTIVITIES REPORT – MARCH 2022

- **Engineering Cost Estimate (ECE) updated cost results were announced.**
 - Total capital costs for the 2Mtpa Stage operation are estimated at US\$174.0 million, including contingencies and estimating allowances of US\$19.8 million.
 - The Company updated its 2Mtpa Financial Model base case with the above results at a constant gold price of US\$1,600/oz (versus the \$1,550/oz used previously).
 - At US\$1,600 per ounce the NPV_{8%} is US\$173 million with an IRR of 27.8% (post tax US\$142 million and 25.0% respectively).
 - At US\$1,800/oz gold price the after tax NPV is US\$217 million with an IRR of 32.1%.
 - The All-In Sustaining Cost (AISC) is US\$852 per ounce with payback around 2.7 years.
- **Following water management studies and initial internal modelling results, the decision was made to undertake a pre-feasibility study for a Project with a higher production rate design.**
- **A diamond core resource extension drilling program continued through the quarter at Borborema Gold Project to target high grade Mineral Resource extensions outside current pit optimisations. By quarters end 5 holes had been completed.**
- **Subsequent to the quarters end, the Company announced it had executed a Scheme Implementation Deed with Aura Minerals Inc. to purchase all shares in Big River for cash consideration of \$0.36 per share. Big River's Independent Board Committee (IBC) recommended unanimously that shareholders vote in favour of the scheme.**

Big River Gold Limited (ASX:BRV) (Big River or the Company) is pleased to present the activities of the company during the March 2022 quarter.

Engineering Cost Estimate (ECE) and Expansion Studies

1. ECE update

Work on the Engineering Cost Estimate (ECE) was completed during the quarter and the results announced to the ASX on 1 April 2022.

The ECE update was conducted by internationally experienced and recognised engineering consultants, GR Engineering Services (GRES), with the purpose of updating the capital costs developed for the 2019 Definitive Feasibility Study as updated in 2020 and 2021 (DFS)¹ while retaining the other fundamental assumptions including mine/plant scheduling, pit design, mining contractor equipment, process path and use of process water which was outlined in the DFS. Operating costs were updated by Big River's Owners Team with assistance from independent consultants.

The updated DFS study reported to the ASX on 9 July 2020 was reviewed in 2021 to assess the most effective use of capital and the currency of the cost basis assumed. This was sufficiently encouraging to warrant

¹ Refer (1) ASX announcement 23 December, 2019; (2) ASX announcement 9 July, 2020 and (3) ASX Announcement 30 March, 2021

completing the exercise with costs in the ECE updated for 2022 conditions. Most operational and economic assumptions remained the same as for the DFS and Option Study, with the material exceptions noted below.

The ECE update was delayed by difficulties in obtaining prices and quotes for equipment and services in the current environment which mixes the impact of a mining boom and COVID. As a result, the ECE accuracy level is lower than preferred at $\pm 20\%$ - 25% .

Results of the ECE update confirm a significant increase in the estimated plant and infrastructure cost from US\$69.5 million to US\$115.2 million (excluding owner's costs and contingency).

These cost increases are predominantly associated with supply chain issues, increases in the cost of equipment and services, upscaling project capacity and layout, and the addition of previously unpriced capital items with short payback benefits.

At the same time, owner's costs and pre-production expenses were updated by independent consultants **Macromet** and Mining Focus Consultants Pty Ltd (**Mining Focus**) with the new estimated total being US\$29.9 million including a contingency of US\$6.9 million, which differs from the total US\$6.6 million adopted in the DFS.

GRES, Macromet and Mining Focus have consented to be named in this announcement and for the content of the ECE updates and studies to be extracted and summarised in this announcement.

Financial Summary

Total capital costs are now estimated at US\$174.0 million, including contingencies and estimating allowances of US\$19.8 million (refer to the ASX announcement of 1 April, 2022 for more detail).

The Company updated its 2Mtpa Financial Model base case with the above results at a constant gold price of US\$1,600/oz (versus the \$1,550/oz used previously).

- At US\$1,600 per ounce the NPV_{8%} is US\$173 million with an IRR of 27.8% (post tax US\$142 million and 25.0% respectively).
- At US\$1,800/oz gold price the after tax NPV is US\$217 million with an IRR of 32.1%.
- The All-In Sustaining Cost (**AISC**) is US\$852 per ounce with payback around 2.7 years.

The base case results, along with varying gold price scenarios for comparative purposes, reveal the following key metrics as summarised in Table 1.

Table 1. Borborema 2Mtpa, Stage 1 Mine. Key Parameters & Sensitivities estimated at different gold prices						
Parameter affected	US\$1,400	US\$1,500	US\$1,600	US\$1,700	US\$1,800	US\$1,900
NPV (8%) pre-tax	\$86M	\$130M	\$173M	\$217M	\$261M	\$305M
NPV (8%) post-tax	\$67M	\$105M	\$142M	\$180M	\$217M	\$254M
IRR (pre-tax)	18.8%	23.5%	27.8%	31.8%	35.7%	39.3%
IRR (post-tax)	16.9%	21.1%	25.0%	28.6%	32.1%	35.3%
Tonnes milled	20.1Mt	20.1Mt	20.1Mt	20.1Mt	20.1Mt	20.1Mt
Gold produced (oz)	729,400	729,400	729,400	729,400	729,400	729,400
C1 Site Cost /oz	\$811	\$811	\$811	\$811	\$811	\$811
AISC/oz	\$850	\$851	\$852	\$854	\$856	\$857
Payback (years)	3.3	3.0	2.7	2.5	2.3	2.0
Ave EBITDA (Full years)	\$41.0M	\$48.1M	\$55.2M	\$62.3M	\$69.4M	\$76.5M

2. Possible Expansion of Plant Size and progress to Pre-Feasibility Study

With the results of recent site water balance studies suggesting the easing of process water limitations, an investigation into higher throughput production rates was considered justified in addition to the Stage 1 update.

The results of the water studies for the 2 Mpta Project led to the Company exploring options for a Project with a larger annual throughput, which was originally the plan a number of years ago.

The Big River Board was encouraged by the initial internal modelling results and has commissioned GRES to undertake a PFS for a Project with a higher production rate design. The Company will update the market as and when the PFS has been delivered, noting that this work is scheduled for completion in the second quarter of 2022.



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

Resource extension drilling

A 13 hole (5,000m) Diamond Core drilling program continued at Borborema Gold Project aiming to confirm potential resource increases that can be included in assessing expanded mine planning options. Drilling is targeting Resource extensions outside current pit optimisations by drilling mineralisation both at depth and in high-grade plunging shoots.

By the end of the quarter 5 holes had been completed in the program for 1,572 metres. 1,276 metres were drilled in the March quarter (refer Figures 3 and 4). The first assay results for hole CRDD-0174 were received late in the quarter and are being checked before release.



Figure 2 – Diamond drilling in progress at Borborema Gold Project

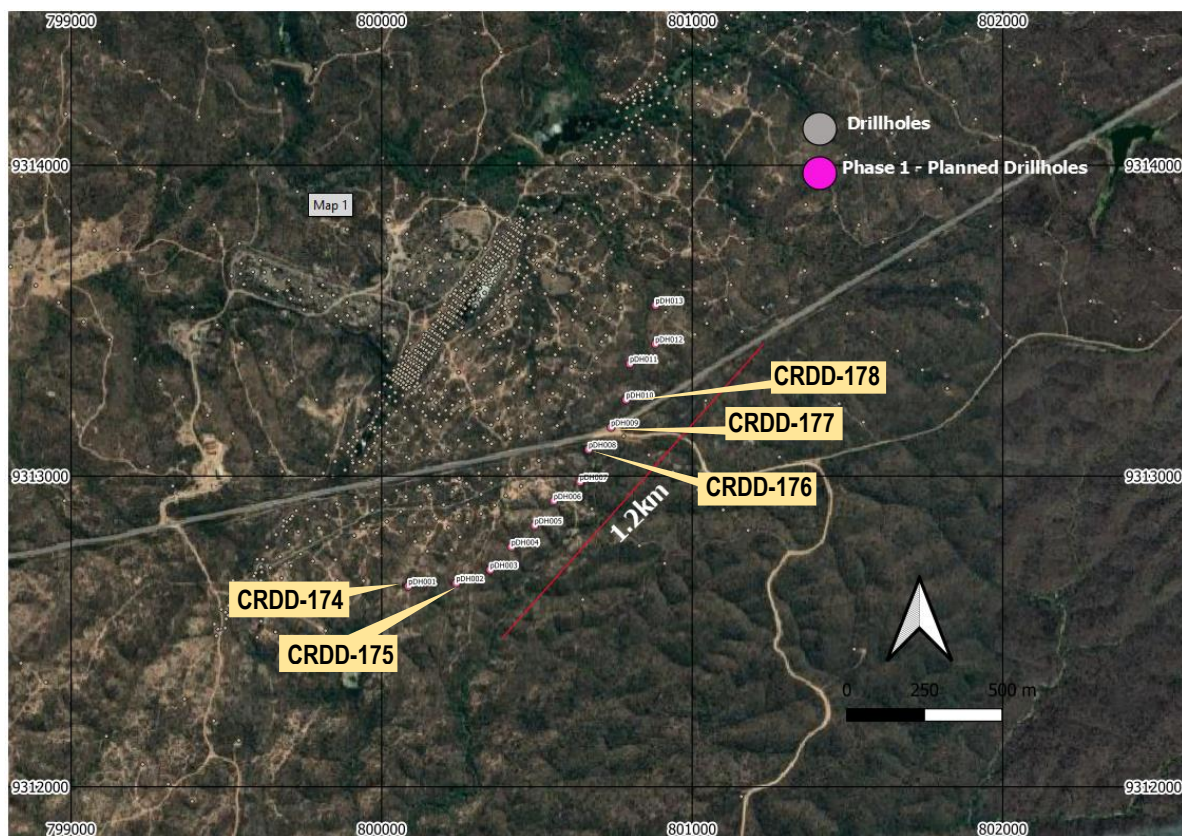


Figure 3 – Diamond drilling collar locations, Borborema Gold Project

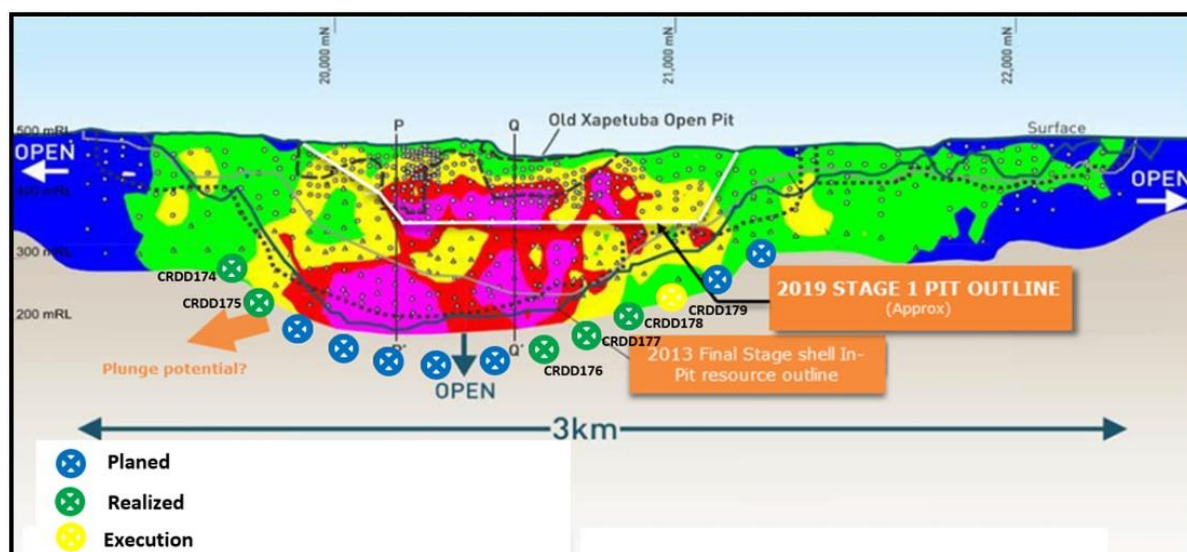


Figure 4 – Diamond drilling intercepts of Borborema project mineralised zone (long section). Planned holes to test the main high-grade extensions (identified in blue) will be drilled as access for drill collars become available.

Proposed Acquisition of Big River Gold by Aura Minerals

On 19 April, 2022, the Company announced a cash offer by Aura Minerals Inc (TSX:ORA) to acquire all the shares of Big River Gold for A\$0.36 per share. The reader is referred to the announcement which provides full details of the offer and the Scheme Implementation Deed entered into between Big River Gold and Aura Minerals.

A summary of the proposal is provided below.

- The Scheme Implementation Deed entered into between Big River Gold Limited (ASX: BRV) ("**Big River**") and Aura Minerals Inc. (TSX: ORA, B3: AURA33) ("**Aura**") is for a recommended all-cash offer to privatise Big River.
- Big River shareholders are being offered A\$0.36 in cash per share, representing a premium of 33.3% to today's closing price of A\$0.27 per share and premiums of:
 - 30.0% to the 30 trading day VWAP of A\$0.277 per share;
 - 42.3% to the 60 trading day VWAP of A\$0.253 per share; and
 - 44.0% to the 90 trading day VWAP of A\$0.250 per share.
- The Scheme Consideration values Big River's diluted equity at approximately A\$91.7 million².
- The Independent Board Committee ("**IBC**") of Big River unanimously recommended that Big River shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Big River's shareholders. Each Big River director intends to vote all of the Big River shares they hold or otherwise control in favour of the proposed Scheme, subject to the voting qualifications above.

² Based on Big River's capital structure at the date of this announcement, being 220,365,515 fully paid ordinary shares, 12,607,500 performance rights and assuming 21,732,335 listed options which expire on 30 June 2022 are all exercised into Big River ordinary shares prior to expiry and excludes 3,060,000 unquoted options which will be acquired by Aura outside of the Scheme.

- The Scheme is subject to various customary conditions including Big River shareholder approval and Court approval.
- Dundee Resources Limited ("**Dundee**"), one of Big River's largest shareholders with voting power of 19.3% in Big River, is supporting the transaction and will, except in limited circumstances, receive unlisted shares (the "**Share Consideration**") in the holding company ("**JVCo**") of Aura BidCo (defined below) in lieu of the cash consideration of A\$0.36 per share. As a result, it is Big River's view that Dundee will likely form a separate class of shareholder for the purposes of voting on the Scheme and, as such, two Scheme meetings may need to be held.
- Substantial shareholder Copulos Group ("**Copulos**") has signed a voting intention statement which provides that it intends to vote in favour of the Scheme, subject to certain conditions ("**VIS**"). Copulos is the holder of approximately 18.8% of the total number of ordinary shares on issue as at the date of this announcement. Copulos intends to vote or cause to be voted all of the shares in Big River that it holds (directly or indirectly) at the time of the Big River Scheme meetings, in favour of each resolution, in the absence of a superior proposal and subject to standard conditions.
- The Scheme meetings are expected to be held in early to mid-July 2022, with Scheme implementation in August 2022 (these dates are indicative only and subject to change).

Corporate

At the end of March 2022, Big River had cash reserves of \$15.1M

The aggregate amount of payments to related parties and their associates included in the December quarter cash flows from operating activities was \$108k, comprising of Chairman and directors' fees, salaries and superannuation.

During the quarter the company made payments totalling \$963k of capitalised exploration and evaluation expenditure consisting of costs in Brazil (staff, consultants and other) of \$705k, and consultants in Australia (GR Engineering, Vector, Rhodes Engineering, Macromet, and other) of \$258k relating to the Borborema ECE, PFS and project development.

Exploration expenditure expensed for the period in Australia and Brazil totalled \$167k.

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 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.

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 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.