



BIG RIVER GOLD
LIMITED

A B N: 94 106 641 963

Annual Report

Year ended 31 December 2020

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Corporate Information

This annual report covers both Big River Gold Limited (the 'Company' or 'Big River') and its subsidiaries (the 'Group'). The Group's functional and presentation currency is Australian dollars (\$).

A description of the Group's operations and of its principal activities is included in the Review of Operations and Activities in the Directors' Report on pages 5 to 26. The Directors' Report is not part of the financial report.

Directors

Andrew Richards (Executive Chairman) – appointed 1 January 2020

John Evans (Non-executive Director)

John Cathcart (Non-executive Director) – appointed 1 January 2020

Beau Nicholls – appointed 1 January 2020 (Non-executive Director); appointed 8 March 2021 (Technical Director)

Stephen Copulos (Non-executive Chairman) – resigned 1 January 2020

Company Secretary

Andrew Beigel

Registered office and principal place of business

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Solicitors

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240 St Georges Terrace

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ASX Code:

Ordinary shares – BRV

Listed Options – BRVO

Chairman's Letter to Shareholders

Dear Shareholder,

It gives me great pleasure to present to you Big River Gold's Annual Report for 2020, my first full year as Executive Chairman of the Company.

Although the onset of the COVID-19 pandemic presented a unique set of challenges, I am satisfied that the past 12 months has seen a maturation of Big River and we are now better placed than ever to realise the full potential of our 100%-owned 2.43Moz Borborema Gold Project in north-east Brazil.

Developments in the latter half of the year – in particular, the \$20.4 million share placement cornerstoned by Canadian firm Dundee Goodman Merchant Partners in December – meant that we moved into 2021 with considerable momentum and I am pleased to report that this has well and truly been maintained.

There is no doubt that welcoming Dundee Goodman and several other North American and European institutions onto the share register through the placement has added credibility to our plans to bring the fully permitted, construction-ready Borborema open pit project into production in the near future.

It was extremely encouraging to see Dundee Goodman back up its \$8 million investment in the placement by spending another \$9.9 million to lift its interest in the Company in early February 2021. Through this off-market transaction with major shareholder, the Copulos Group, Dundee Goodman's holding increased from 9.1% to 19.4%.

Not only was this a further vote of confidence in the direction Big River is heading with Borborema from a highly regarded resources investor, it has brought better balance to the share register with no one group now holding more than 20%.

As you may be aware, we also moved to tidy up the capital structure of the Company, with an 8-for-1 share consolidation coming into effect in February. Among other benefits we expect the consolidation will make us a more appealing option for international and domestic investors.

In moving Borborema towards development, we are mindful of ensuring the plant design is optimised from the outset and that a decision on stage one design delivers the most efficient use of capital and ensures a smooth transition when it comes to future expansion. The delays created by the coronavirus pandemic and the injection of significant capital provides a unique opportunity to undertake this investigation and ensure that value is not left on the table if and when a future expansion is undertaken.

Our approach to addressing this has involved initiating an options study that contemplates a larger capacity plant than the 2Mtpa facility proposed in the July 2020 Definitive Feasibility Study for Stage 1. The Borborema operation is currently permitted for a 4Mtpa throughput operation which would certainly be a better match for the size of the deposit and an expansion in this order of magnitude is anticipated but subject to ongoing feasibility studies and securing of additional process water. At the time of writing, those studies are nearing completion.

While the December placement provided critical funding for the options study, we also earmarked some of the capital for exploration. This drilling, the first to take place at Borborema since 2014, will focus on tenements to the south-west of the project as well as identifying high-grade extensions within the project concessions and converting inferred resources to indicated to potentially increase reserves within the current pit designs.

Despite Brazil being one of the countries hardest hit by COVID-19, we have been fortunate that our in-country team, led by Vice President, Operations Pablo Diaz, and Country Manager, Diana Lima, has been able to keep operating as per normal to a very large degree.

Travel to site has been impacted but is still possible provided the appropriate precautions are taken. Activities are still being undertaken by various engineering groups involved in early stage infrastructure works including improved water catchment, water pipelines and power lines and the project is being advanced and de-risked.

As I'm sure others going through similar processes will attest, trying to arrange bank finance for Borborema against the backdrop of the pandemic has not been easy, particularly given the restrictions on international travel.

Since resuming discussions at the start of the year though, we have seen more interest in what we are doing and we remain confident of settling on a suitable funding package in the June quarter, setting us up for full-scale construction to begin.

That prospect in itself is very exciting.

In finishing, I'd like to thank my fellow Directors, company employees and contractors and most importantly you, the shareholders, for your support over the past year. We have made great strides but there is more to come.

Yours sincerely



Andrew Richards
Executive Chairman

Directors' Report

REVIEW OF OPERATIONS

During the year Big River maintained as its primary focus progressing the Borborema Gold Project in north-eastern Brazil towards development.

The findings of the December 2019 Definitive Feasibility Study (DFS) on the Project were updated in June 2020, while an options study to ensure optimal plant design was initiated in January 2021.

Discussions to secure project financing progressed constructively and were expected to ramp up in early 2021 once the results of the options review were published.

Despite the impact of COVID-19 within Brazil, mine based activities were still possible throughout the reporting period provided appropriate precautions were taken and much of the required engineering work and negotiations could be undertaken remotely. However, it did impact on the project financing timeline as potential financiers found it difficult to assign resources and visit Brazil for their due diligence. This slowed down discussions but regardless significant advances were made in the latter part of the year before the Christmas-New Year hiatus.

In the meantime a A\$20.4 million placement secured in December 2020 and completed in February 2021 not only strengthened the shareholder register with the addition of several well regarded and experienced North American and European investors but provided funds to advance and further de-risk the Borborema project mainly in the areas of detailed engineering and infrastructure.

BORBOREMA GOLD PROJECT

Rio Grande do Norte State, Brazil (BRV 100%)

The Borborema Project – Location and Licences

Borborema is located in the Seridó area of the Borborema province in north-eastern Brazil. It is 100%-owned by Big River through its wholly owned subsidiary Cascar and consists of three mining leases covering a total area of 29km² including freehold title over the main prospect area.

Big River owns the freehold land for the project area in which the mine, plant and infrastructure will be located. The main Environmental and Installation Permits have also been granted by the relevant government authorities, which will allow construction of the project to commence subject to financing.

During the year formal agreements were signed with local government authorities for the power line offtake and construction (COSERN) and the sewage water pipeline from the local city of Currais Novos (CAERN). Approvals from the authority responsible for the highways have been received to locate the pipeline and powerlines within the restricted zones alongside the highway to site.

The project benefits from a favourable taxation regime, existing on-site facilities and excellent infrastructure such as buildings, grid power and sealed roads. It is close to major cities and regional centres and the services they can provide.



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

Appointment of Vice President, Operations

In March 2020, Big River was pleased to announce the appointment of Mr Luis Pablo Carlin Diaz (Pablo) Diaz to the position of Vice President, Operations, with responsibility for mine operations at and around Borborema.

Pablo is a Brazilian mining engineer with Australian citizenship and more than 20 years' experience in both operational and senior management roles. He has ably guided the pre-production work and additional studies that will progress Borborema's financing, construction and eventual production since his appointment.

Updated Definitive Feasibility Study and Option Study

Updated Definitive Feasibility Study

During the June quarter, Big River undertook a review (Updated DFS 2020) of the Borborema Definitive Feasibility Study (DFS) completed in December 2019 (DFS 2019) with a focus solely on improving the processing plant and performance.

Through the review, the suitability of the proposed processing path was confirmed, but changes were recommended to the location and layout of the process plant and in the choice of certain plant and equipment to be used in comminution and elution circuits.

Among the key outcomes of the Updated DFS 2020 were a reduction in start-up capital costs for the 2Mtpa project to US\$90.7 million including a contingency provision of US\$11.3 million and a reduction in the All-In Sustaining Costs over the 10.2 years of production scheduled for Stage 1 to US\$713 an ounce. Refer to Table 1 for details and key parameters.

The pre-tax Project NPV (at 8% discount) increased from US\$218 million to US\$342 million while the after tax NPV (at 8% discount) increased to US\$287 million.

The updated Project Financial Model used a flat gold price of US\$1,550 an ounce compared to the DFS 2019 assumption of US\$1,400, which remains below the consensus of recent forecasts compiled by Bloomberg and is substantially lower than the current spot price of gold. It was also updated for the latest economic factors that had changed the Project's favour including tax exemptions and currency exchange rates.

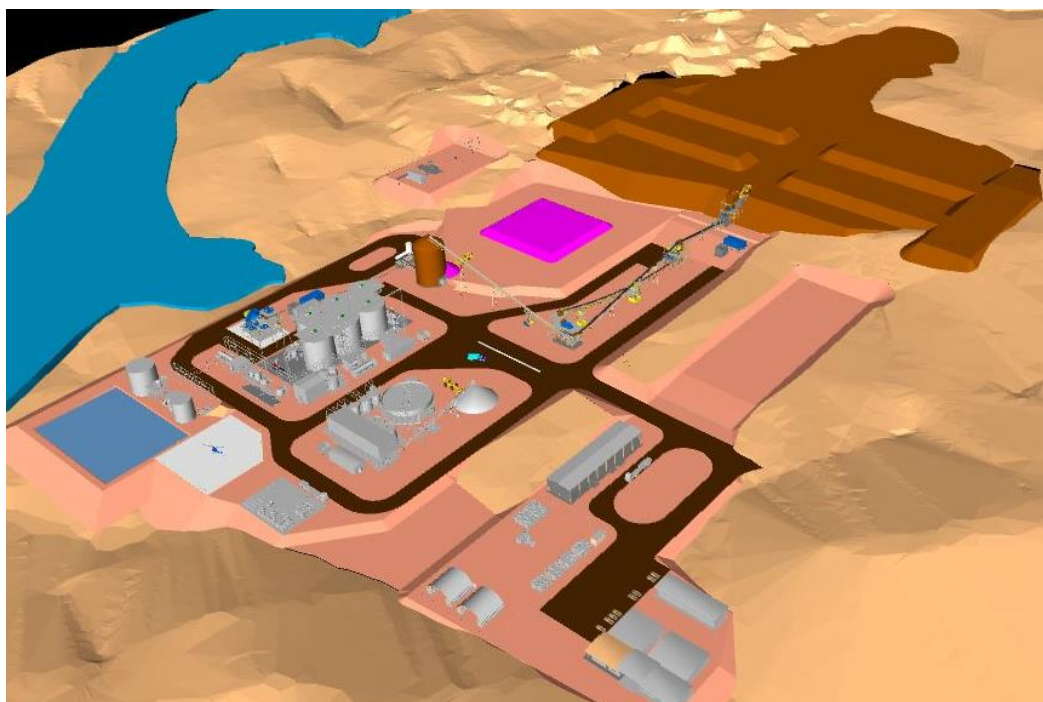


Figure 2. View to the north west over Borborema processing plant as per Updated DFS 2020 study.

Table 1 - Stage 1 Key Parameters	
Mineral Resources (reported above 0.5g/t Au cut off, 2013)	68.6Mt @ 1.10 g/t Au (2.43Moz)
Stage 1 Ore Reserve Scheduled to be mined in DFS	20.0Mt @ 1.22 g/t (784,480 oz)
Project type and processing	Open pit mining and 2Mtpa 3 stage crush/Ball mill
Capital Costs	
Processing plant Capital Costs	US\$ 54.43M
Non Processing infrastructure and Owners costs	US\$24.95M
Contingency	US\$ 11.33M
Sub Total Plant & Infrastructure Capital	US\$ 90.71M
Working capital – Mine establishment pre-production	\$ 5.36M
Total Capital Summary	
NPV (8%, Pre-Tax)	US\$ 342M
NPV (8%, Post-Tax)	US\$ 287M
IRR (Pre-Tax)	64.7%
IRR (Post-Tax)	57.9%
Payback from start of production	1.4 yrs
Life of Mine C1 Cash Costs	US\$534/oz

Life of Mine AISC costs	US\$713/oz
Production Summary	LOM
Mine Life (from commissioning date)	10.2 years
Strip ratio (waste (t): Ore(t))	4.2
Mill throughput (total)	20.0 Mt
Grade	1.22 g/t Au
Recovery	92.5%
Gold produced – over Life of Mine	729,374 oz

Project Economics, US\$M	LOM
Study Gold price	\$1,550/oz
Gross Revenue LOM	\$ 1,131M
Operating costs LOM	\$ 389M
Capital:	
Capital – Plant, Infrastructure, Owners costs (incl contingency)	\$ 90.71M
Working capital – Mine establishment pre-production	\$ 5.36M
Capital – sustaining and mine closure costs	\$ 20.97M
EBITDA	\$724.2M
NPAT	\$526.6M

Under the Updated DFS, Stage 1 of the Project was expected to produce 729,400 ounces of gold over 10.2 years, which comprises only a portion of the Borborema Resource/Reserves of 2.43 million ounces and 1.61 million ounces respectively.

The first years of the current Stage 1 operational plan will see higher grades preferentially fed to the mill so that production approaches 100,000 oz gold in year 4. In subsequent years mill feed will be augmented by medium grade ore which will coincide with declining mining costs to maintain the margin (Figure 3).

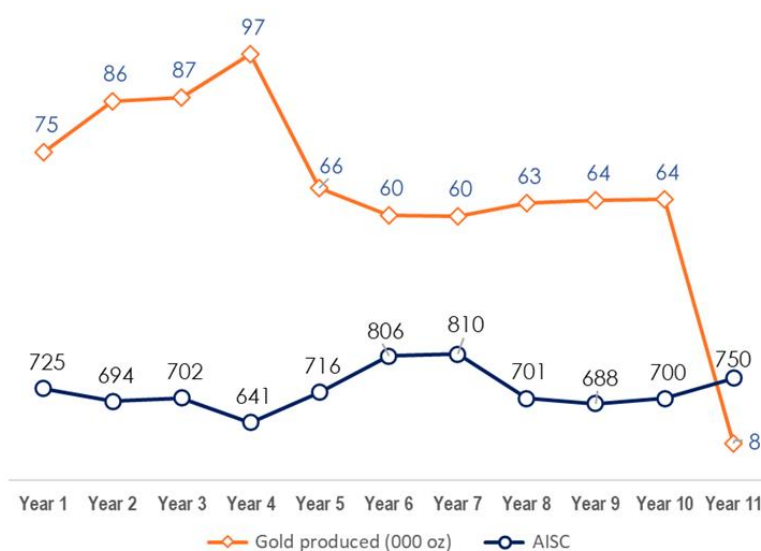


Figure 3. Production profile for Stage 1 DFS

The chart presents anticipated annual gold production (koz Au) and All In Sustaining Cost (AISC, US\$/oz). Stage 1 represents ~30% resource and ignores any possible future expansion above 2Mtpa throughput.

During the last quarter of 2020 efforts were progressed to secure additional water supplies that would underpin an expansion of the project, subject to ongoing feasibility studies. Should an expansion be viable it may commence during the first few years of Stage 1.

Option Study

Following completion of the \$20.4 million share placement by the Company in December, an option study was initiated to consider whether the process circuit design was best optimised for a possible throughput expansion above the initial 2Mtpa to better align plant size with anticipated reserves.

The goal of the Option Study is to optimise the existing Stage 1 design in order to minimise disruption and downtime when transitioning to a Stage 2 expansion, should it be proven viable. It should be noted that the actual size of any future expansion will be subject to the completion of feasibility studies and the adequate supply of process water.

Results reported to the ASX on 30 March 2021, were very encouraging in terms of a refined plant layout, improved equipment selection and indicative costing. The process circuit design has not changed but equipment selection has been modified which, combined with space provisions in the design, will facilitate an expansion of up to 4Mtpa throughput with minimal disruption to production and incremental capital cost. The 4Mtpa scale was chosen as a starting point for comparison and because that is currently the maximum throughput that the project is permitted to operate.

The Option Study capital and operating cost estimates are currently at a lower order of accuracy than would be expected for a Definitive Feasibility Study and will be improved in early 2021 prior to presentation to prospective project financiers.



Figure 4. Borborema 2Mtpa Stage 1 plant and equipment and revised layout recommended by Option Study, showing additional plant for a possible future expansion (illustrated in grey).

The SAG mill (1) and 2250kW ball mill (2) are shown while additional plant and equipment that might be installed to take the expansion up to 4Mtpa is shown in grey in the space left vacant. This includes another 2250kW ball mill (3), a doubling of the CIL tank capacity (4), an increase in gold room capacity (5) and additional filtration cells (6). Space for a mica recovery circuit is shown at (7) – a decision that is subject to further assessment.

Some modifications may occur to this layout as detailed engineering continues such as the location of the electrical sub-station (8) and orientation of the SAG/ball mills to improve maintenance access.

Placement and funding discussions

Big River completed a \$20.4 million two-tranche share placement to Australian and international institutional and sophisticated investors in February 2021 (Tranche 1: \$8.4 million, Tranche 2: \$12.0 million), with the funds to be used to advance the Borborema Gold Project.

A total of 408 million shares were issued at an issue price of \$0.05 a share.

The very strong demand for the placement included a cornerstone commitment of \$8.0 million from highly regarded Canadian resources investor Dundee Goodman Merchant Partners, which also acted as joint lead manager and joint bookrunner alongside Jett Capital Advisors LLC and Petra Capital.

Upon completion of the second tranche of the placement in January, Dundee held approximately 9.2% of the Company's issued ordinary shares and has since increased its interest to 19.4% through an off-market transaction with major shareholder, the Copulos Group who reduced their holding to 18.7%.

The result of this change in the register has seen the introduction of several strong investors recognised for their investment and production expertise within the gold sector. This provides a stronger alignment of the Company's shareholders with the aim and ability to develop a major gold project in the view of project financiers.

Along with the Option Study focusing on optimal plant design discussed above, funds from the placement will be used to:

- Undertake early infrastructure works including water catchment and finalising the water pipeline and power supply;
- Detailed engineering design and accelerating plant expansion studies;
- Appoint a project team to manage implementation as well as mine production and grade control teams; and
- Undertake drilling programs for detailed mine planning and resource definition and exploration in and around the planned pit.

While the placement was a significant, positive step, securing project financing in full remains the priority focus for Big River.

Traditional financiers were slow to respond during the year, largely due to instability in financial markets and the impact COVID-19 had on travel. But several proposals were forthcoming and more were expected as discussions resumed following the Christmas/New Year break.

During the September Quarter, the Company appointed Auramet International LLC, a well-connected precious metals merchant bank and advisory firm based in North America, to assist with securing debt funding for the Borborema Gold Project.

Auramet has extensive experience in closing project finance mandates and financing mining projects in the Americas, Africa, Europe and Australia and is particularly well versed in the Brazilian gold sector, having worked with the majority of companies currently operating in the country.

The results of the option study will be incorporated into due diligence materials provided to potential financiers, with the Company aiming to have settled on a project finance package by mid-year.

Mica by-product testwork

Further testwork was undertaken in Germany and Perth during the year investigating the prospect of producing the industrial mineral mica at Borborema.

The Boroborema Project contains very significant quantities of auriferous mica that will be processed through the 2Mtpa CIP process plant.

Testwork completed by Dorfner Analysenzentrum und Anlagenplanung GmbH (ANZAPLAN) in Germany determined that after processing through milling, cyanide leach and elution circuits, a substantial amount of mica could be separated by low cost magnetic separation and that product retained attractive commercial chemistry and physical properties typical of the phlogopite group of micas.

More recently, Nagrom in Perth has been working to produce a commercially viable bulk mica concentrate to make available to potential distributors and offtake partners. Work is ongoing but encouraging results have been produced to date. However, securing offtake and pricing will require extended negotiations and market acceptance from established agents and purchasers in the market.

Potential applications for a mica product from Borborema include in the large volume plastic filler market (in particular, dark-coloured polymers) and in the paint market where it would serve as a key additive with anti-corrosive properties.

COVID-19 Response

The COVID-19 pandemic has had an impact on management because travel has not been possible due to the mandatory government suspension during 2020 of all international travel and the closure of the Western Australian border. Brazil employees were required to work from home due to the closure of the Brazil office, and employees at all levels of the business were asked to change the way they work, and how they interacted professionally and socially. There have been no COVID-19 cases identified amongst our employees, and the Company has managed to minimise the adverse impact of the pandemic on its operations in 2020.

DIRECTORS

The Directors of Big River Gold Limited (“the Parent Entity” or “Big River” or “the Company”) and its controlled entities (“the consolidated entity” or “the Group”) submit herewith the annual financial report of the Group for the year ended 31 December 2020 (“the period”). In order to comply with the provisions of the Corporations Act 2001 (Cth), the Directors’ report as follows:

Information about the Directors

The names and particulars of the Board of Directors (“the Board”) of the Company during or since the end of the financial year are:

Mr Andrew Richards (Executive Chairman) – Appointed 1 January 2020

Mr Richards is a geologist with over 35 years of experience in the international mining industry which included company management and project finance. He has worked at a senior level in both production and exploration over a wide variety of areas and commodities, and has also undertaken technical review, project audits and monitored project construction. He is a member of AUSIMM and AIG. Mr Richards has worked extensively with gold, base metals, rare earths and industrial minerals in Australasia, Asia, Africa and South America. He is and has been on the boards of several listed companies on ASX and AIM and was previously Managing Director and CEO of two ASX listed companies operating in China.

Mr John Evans (Non-Executive Director) B.Comm (Hons), FCA, CPA, MAICD

Mr Evans holds a Commerce (Hons) degree from the University of Queensland, is a Fellow of Chartered Accountants Australia & New Zealand and is a member of both CPA Australia and the Australian Institute of Company Directors.

Mr Evans is currently the Principal of a Business Broking and Advisory practice, and advises a broad range of businesses, in both the SME sector and larger corporate clients, on matters such as strategic planning, marketing, governance, and financial analysis. Prior to this, Mr. Evans held a series of executive positions in Finance and General Management in Australian public company groups over a 15 year period, in industries including telecommunications, banking and insurance, superannuation and funds management, media, hospitality and property development.

He has held several other non-executive directorships in Australian public companies, and is also a director of several private companies, two not-for-profit organisations, and provides board consulting services to two other company groups.

Mr Evans is Chairman of the Audit and Risk Committee and the Remuneration Committee.

Mr John Cathcart (Non-Executive Director) – Appointed 1 January 2020

Mr Cathcart has 30 years’ experience in mining and mining investment analysis and extensive experience in the resources sector at a technical, corporate and financial level, working in gold, copper and nickel at several major operations. He made the successful transition to the financial sector and broking in 1994 where he established a very strong reputation with several brokers including Baillieu’s, BT, HSBC and CommSec before running the Resources portfolio at Thorney Investments.

Mr Cathcart remains an investment manager at Thorney as well as a director of the recently established stockbroking firm Rawson Lewis.

Mr Cathcart is a member of both the Audit and Risk Committee and the Remuneration Committee.

Mr Beau Nicholls – Appointed 1 January 2020 (Non-Executive Director); Appointed 8 March 2021 (Technical Director)

Mr Nicholls is a geologist and project manager with over 25 years of international experience and has worked in over 20 countries including Australia, Eastern Europe, West Africa and South America and established a solid technical and practical base to operate in challenging environments.

Mr Nicholls has a wide technical and corporate management experience at a senior level in gold exploration and mining for both mining groups and international consulting groups. He spent 9 years working in Brazil and speaks Portuguese fluently.

Mr Nicholls is a member of both the Audit and Risk Committee and the Remuneration Committee.

Mr Stephen Copulos (Non-Executive Chairman) - Resigned 1 January 2020

Mr Copulos has over 35 years of experience in a variety of businesses and investments in a wide range of industries, including manufacturing, mining, fast food, property development and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997. Mr Copulos is an active global investor who brings significant business acumen and greater diversity to the Board of Big River Gold. He has been a major shareholder of Big River for many years and is aligned to improving shareholder returns.

Andrew Beigel (Company Secretary) B.Comm.

Mr Beigel has more than 25 years of corporate experience across a range of industries and has held executive positions with other ASX listed companies in the resources sector. He has previously been involved in development and funding of projects and bankable feasibility studies.

Shares and options issued during the financial period

The Company issued 190,660,373 (all the below are on a pre-consolidation basis, except where indicated differently) shares during the year at an average price of \$0.048 per share.

Of the shares issued, 2,325,688 were as a result of the exercise of options, 15,000,000 ordinary shares were issued on vesting of performance rights, and 5,000,000 were issued as remuneration. Since the end of the year 7,058,853 ordinary shares have been issued on vesting of performance rights.

There were no options issued by the company during the year.

Details of unissued shares under option (pre-consolidation) at the date of this report are:

No. shares under option	Class of shares under option	Exercise price (\$)	Expiry date of options
176,756,617	ordinary	0.02	30-Jun-22
24,480,000 ¹	ordinary	0.06	4-Feb-24

¹ The options were granted on 5 February 2021 after shareholder approval was obtained on 28 January 2021.

The issuing entity for all ordinary shares under option is Big River Gold Limited. The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company.

During the year, following shareholder approval, the Company issued 85,000,000 performance rights to the Executive Chairman, Mr Andrew Richards, and 32,500,000 to the Vice President, Operations, Mr Pablo Diaz. These performance rights are subject to performance conditions and expire between 31 December 2020 and 30 June 2026. Mr Richards was also issued 5,000,000 shares lieu of cash remuneration, and the Non-executive Directors (Mr John Evans, Mr John Cathcart, and Mr Beau Nicholls) were each issued 2,352,951 performance rights with a service condition that they remain directors of the Company until the date the remuneration shares were issued after 31 December 2020.

Shares issued on exercise of performance rights during the year are detailed in the following table (pre-consolidation):

Date performance rights granted	Fair value at grant date	Number of shares issued ¹
24-Jul-20	\$555,000	15,000,000

- (1) At 31 December 2020 there were 7,058,853 performance rights (pre-consolidation) with a grant date fair value of \$224,877 that had vested during the year and were unissued at year end.

	Number of Rights
Rights outstanding at 31 December 2019	-
Rights issued during the year	124,558,853
Rights vested during the year ²	(15,000,000)
Rights vested during the year - issued January 2021	(7,058,853)
Rights forfeited during the year	(2,500,000)
Rights outstanding at the date of this report (pre-consolidation)	100,000,000

- (2) These performance rights were measured at the grant date fair value and were subject to shareholder approval which was received on 24 July 2020.

Interests in the shares and performance rights of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and performance rights of Big River Gold Limited are as follows:

Director	Number of ordinary shares ³	Number of unlisted performance rights ³
A. Richards	4,437,500	8,750,000
J. Evans	569,119	-
J. Cathcart ⁽¹⁾	419,119	-
B. Nicholls ⁽²⁾	319,119	-

(1) Appointed 1 January 2020

(2) Appointed 1 January 2020

(3) Holdings are post-consolidation of capital

J. Evans, J. Cathcart and B. Nicholls exercised 2,352,951 (pre-consolidation) performance rights each on 5 February 2021 in relation to Directors' fees for the year ended 31 December 2020. They each received 1 ordinary share for each performance right exercised (294,119 ordinary shares each post-consolidation).

Dividends

The Directors do not recommend that a dividend be paid. No dividend has been paid by the Company (2019: Nil).

Principal activities

The principal activity of the Group during the financial period was mineral exploration and evaluation in Brazil.

Functional currency

For the purposes of the financial statements, the results and financial position of the Group are expressed in Australian Dollars ("A\$"), which is the functional currency of the Group and the presentation currency of the financial statements.

CORPORATE

During the year the Group raised \$8,463,248 (before costs) through the issue of 170,660,373 ordinary shares (pre-consolidation).

Operating results for the period

The Group's operating loss after income tax for the period was \$2,923,774 (December 2019: restated profit of \$4,729,702). The Group's basic loss per share for the year from continuing and discontinuing operations was \$1.76 post-consolidation of capital (0.22 cents basic loss per share pre-consolidation), (December 2019: basic loss per share of \$1.45 post-consolidation, 0.18 cents loss per share pre-consolidation).

Liquidity and Capital Resources

The Consolidated Statement of Cash Flows illustrates that there was an increase in cash and cash equivalents in the year ended 31 December 2020 of \$5,805,949 before foreign exchanges impacts (December 2019: increase of \$3,924,866). The cash increase was largely a result of funds received from capital raisings exceeding payments for the Borborema DFS, exploration and general overheads.

Risk management

The Group takes a proactive approach to risk management. The Audit and Risk Committee is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Significant changes in the state of affairs

The state of affairs of the Group was not affected by any significant changes during the financial period not otherwise stated in the report.

Environmental regulation and performance

The Group's activities are subject to environmental regulations under Brazil federal and state legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Significant events after the balance date

On 5 February 2021 the Company issued the following securities, pursuant to shareholder approval at a general meeting of shareholders held on 28 January 2021:

- 239,665,315 shares at \$0.05 each raising \$11,983,266 (before costs) as part of a placement to raise \$20.4 million as announced on 7 December 2020;
- 24,480,000 Options exercisable at \$0.06 each (expiring 4 February 2024) as part consideration for the provision of joint lead manager services for the Placement to Joint Lead Managers (Dundee Goodman Merchant Partners, Jett Capital Advisors LLC and Petra Capital);
- 2,352,951 shares each to Mr John Evans, Mr John Cathcart and Mr Beau Nicholls as consideration for services provided to the Company as Non-Executive Directors during the year ended 31 December 2020.

On 8 February 2021 Dundee Goodman Merchant Partners (Dundee) increased its shareholding in the Company to 19.4% through an off-market transaction with the Copulos Group reducing their shareholding to 18.7%.

On 25 February 2021 the issued capital of the Company was consolidated on an 8 for 1 basis, as announced on 29 December 2020 and approved at the general meeting of shareholders held on 28 January 2021.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the entity in subsequent financial years.

Future developments

The Group will continue to focus on mineral exploration and development opportunities.

Indemnification and insurance of officers and auditors

During the financial year, the Group indemnified each of the Directors against all liabilities incurred by them as Directors of the Company (and subsidiary companies) and all legal expenses incurred by them as Directors of the Company (and subsidiary companies).

The indemnification is subject to various specific exclusions and limitations.

The Company provided Directors' and Officers' liability insurance during the year.

The Company did not provide any insurance or indemnification for the auditors of the Group.

Remuneration Report - audited

This remuneration report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

Directors and Key Management Personnel

The following persons acted as Directors and/or Key Management Personnel of the Group during or since the end of the financial year:

Mr A. Richards	Chairman (Executive) – appointed 1 January 2020
Mr S. Copulos	Chairman (Non-Executive) – resigned 1 January 2020
Mr J. Evans	Director (Non-Executive)
Mr B. Nicholls	Director (Non-Executive) – appointed 1 January 2020; Director (Technical) – appointed 8 March 2021
Mr J. Cathcart	Director (Non-Executive) – appointed 1 January 2020
Mr A. Beigel	Chief Financial Officer and Company Secretary
Mr J. Nery	Country Manager – resigned 20 January 2020
Ms D. Uchoa Lima	Country Manager – appointed 1 January 2020
Mr P. Diaz	Vice President, Operations – appointed 2 March 2020

Remuneration policy

The remuneration policy of the Group is to ensure that remuneration packages of Directors and other Key Management Personnel properly reflect the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating Directors and other Key Management Personnel of the Group. As part of the remuneration policy the Group issues incentive options and performance rights to Directors and other Key Management Personnel. Apart from Non-Executive Directors, these options and performance rights may require achieving specific performance targets as a condition of vesting.

The aggregate sum available for remuneration of Non-Executive Directors is currently \$460,000 per annum as approved at a General Meeting of shareholders on 19 May 2016.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the two most recent financial periods ending 31 December 2020:

	31 Dec 2020	31 Dec 2019^{(1) (2)}
	\$	\$
Revenue	-	-
Net profit/(loss) before tax	(2,923,774)	4,729,702
Net profit/(loss) after tax	(2,923,774)	4,729,702

	31 Dec 2020	31 Dec 2019^{(1) (2)}
	cents	cents
Share price at start of period	2.0	2.0
Share price at end of period	5.0	2.0
Interim dividend	-	-
Final dividend	-	-
Basic profit/(loss) per share (post-consolidation)	(1.76)	4.25
Diluted profit(loss) per share (post-consolidation)	(1.76)	3.26

(1) From continuing and discontinued operations

(2) See note 2(c) for details regarding the restatement as a result of an error

Remuneration Report - audited (continued)**Bonuses and share-based payments granted as compensation for the current financial year**

The Company received approval for the introduction of an employee share option scheme (the Plan) in 2008. The plan was last re-approved at a meeting of shareholders on 24 July 2020, the details of which are set out below. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The Options can only be issued to Employees or Officers of the Company and its subsidiaries.
2. Each Option entitles the holder, on exercise, to one fully paid ordinary Share in the Company.
3. Shares issued on exercise of Options will rank equally with other fully paid ordinary Shares of the Company.
4. The exercise price and expiry date for the Options will be as determined by the Board (in its discretion) on or before the date of issue.
5. The maximum number of Options that can be issued under the Plan is not to be in excess of 5% of the total number of Shares on issue.
6. An Option may only be exercised after that Option has vested, after any conditions associated with the exercise of the Option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an Option the Board may, in its absolute discretion, impose other conditions on the exercise of an Option.
7. An Option will lapse upon the first to occur of its expiry date, the holder acting fraudulently or dishonestly in relation to the Company or related entities, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
8. Upon an Optionholder ceasing to be a Director, employee or officer of the Company and its subsidiaries, whether by termination or otherwise, the Optionholder has 45 days from the day of termination, or otherwise, to exercise their Options before their Options lapse.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur), then the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. Options may not be transferred other than in cases where the Options have vested, are within six months of the expiry date of the Options, and the Options are transferred to an Associate of the Optionholder. Quotation of Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Options.
11. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least six ASX Business Days after the issue is announced.
12. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Optionholder holding any Options which have not expired at the time of the Record Date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe pursuant to the exercise of those Options immediately before the Record Date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option holder is entitled, or the exercise price of his or her Options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

Remuneration Report - audited (continued)

As at end of the financial year, the following share-based payments were in existence and had been issued as compensation (pre-consolidation):

KMP	Performance Rights	Options Issued
Andrew Richards	70,000,000 ¹	-
John Evans	2,352,951 ¹	-
Beau Nicholls	2,352,951 ¹	-
John Cathcart	2,352,951 ¹	-
Luis Pablo Carlin Diaz	30,000,000	-

(1) These were approved by shareholders at the annual general meeting held on 24 July 2020

Key terms of employment contracts

Andrew Richards is engaged as an Executive Chairman (from 1 January 2020).

Remuneration is as follows:

- gross base salary of \$150,000 per annum inclusive of statutory superannuation
- 5,000,000 fully paid ordinary shares issued for no cash subscription
- 85,000,000 performance rights issued for nil consideration (which vest subject to certain operational and market performance conditions being met) of which 15,000,000 vested during the year
- 20 days' annual leave per annum
- 3 months' notice period

Andrew Beigel is employed as the Chief Financial Officer and Company Secretary.

Remuneration is as follows:

- gross base salary of \$170,000 per annum plus statutory superannuation
- 20 days' annual leave per annum and statutory long service leave entitlements
- 3 months' notice period

Julio Nery (resigned 20 January 2020) was engaged as Country Manager.

Remuneration was as follows:

- gross salary BRL160,508 for the period to 20 January 2020
- 20 days' annual leave per annum
- 3 months' notice period

Diana Uchoa Torres Lima (appointed 1 January 2020) is engaged as Country Manager.

Remuneration is as follows:

- gross salary BRL396,000 per annum
- 20 days' annual leave per annum
- 3 months' notice period

Luis Pablo Carlin (Pablo) Diaz (appointed 1 March 2020) is engaged as Vice President, Operations.

Remuneration is as follows:

- gross salary BRL750,000 per annum increasing to BRL850,000 upon securement of Project Finance
- 32,500,000 performance rights issued for nil consideration which vest subject to certain operational and performance conditions being met
- 2 month notice period

Beau Nicholls (appointed 8 March 2021) is engaged as Technical Director (part-time).

Remuneration is as follows:

- gross base salary of \$100,000 per annum plus statutory superannuation
- daily rate for approved technical duties exceeding 6 days per month is \$1,400 per day
- 20 days' annual leave per annum (pro rata)
- 2 months' notice period

Remuneration Report - audited (continued)

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2020 and comparatives are shown over the next two pages:

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2020:

	Short-term employee benefits		Post emp. benefits	Share-based payments		Long-term benefits	Total	Proportion of total performance related
	Salary & Fees	Other benefits	Super-annuation	Ordinary Shares	Performance Rights	Long Service Leave		
	\$	\$	\$	\$	\$		\$	%
Directors								
A. Richards¹								
12 months to 31 Dec 2020	136,986	-	13,014	740,000	84,825	-	974,825	85%
J. Evans								
12 months to 31 Dec 2020	45,000	-	2,850	-	74,959	-	122,809	61%
J. Cathcart²								
12 months to 31 Dec 2020	35,000	-	-	-	74,959	-	109,959	68%
B. Nicholls³								
12 months to 31 Dec 2020	35,000	-	3,325	-	74,959	-	113,284	66%
Total Directors								
12 months to 31 Dec 2020	251,986	-	19,189	740,000	309,702	-	1,320,877	79%
Key Management Personnel								
A. Beigel⁷								
12 months to 31 Dec 2020	176,919	-	16,150	-	-	2,833	195,902	0%
D. Uchoa Lima⁴								
12 months to 31 Dec 2020	88,324	-	-	-	-	-	88,324	0%
P. Diaz⁵								
1 March to 31 Dec 2020	175,565	10,919	-	-	63,301	-	249,785	25%
J. Nery⁶								
1 January to 20 January 2020	45,697	-	-	-	-	-	45,697	0%
Total Key Management Personnel								
12 months to 31 Dec 2020	486,505	10,919	16,150	-	63,301	2,833	579,708	11%
Total Directors and Key Management Personnel								
12 months to 31 Dec 2020	738,491	10,919	35,339	740,000	373,003	2,833	1,900,585	59%

- (1) Mr. A Richards was appointed Chairman on 1 January 2020. Share-based payment includes 5,000,000 remuneration shares and 15,000,000 performance rights exercised during the year ended 31 December 2020. These shares and performance rights were measured at the grant date fair value and were subject to shareholder approval which was received on 24 July 2020.
- (2) Mr J. Cathcart was appointed 1 January 2020.
- (3) Mr B. Nicholls was appointed 1 January 2020.
- (4) Ms D. Uchoa Lima was appointed 1 January 2020.
- (5) Mr P. Diaz was appointed 1 March 2020.
- (6) Mr J. Nery resigned 20 January 2020.
- (7) Salary includes movements in annual leave provision during the year.

Remuneration Report – audited (continued)

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2019:

	Short-term employee benefits			Post emp. benefits	Share-based payments	Total	Proportion of total performance related
	Salary & Fees	Other benefits	Cash bonus	Super-annuation	Options		
	\$	\$	\$	\$	\$	\$	%
Directors							
S. Copulos¹							
28 February to 31 Dec 2019	41,667	-	-	-	-	41,667	0%
A. Vickerman²							
1 January to 28 Feb 2019	20,000	-	-	-	-	20,000	0%
A. Richards³							
28 February to 31 Dec 2019	41,667	-	-	-	50,000	91,677	0%
P. Stephen⁴							
1 January to 30 January 2019	29,167	-	-	1,711	-	30,878	0%
J. Evans							
12 months to 31 Dec 2019	61,677	-	-	2,850	-	64,517	0%
M. Engelbrecht⁵							
1 January to 28 Feb 2019	85,040	-	-	-	-	85,040	0%
Total Directors							
12 months to 31 Dec 2019	279,207	-	-	4,561	50,000	333,768	0%
Key Management Personnel							
A. Beigel							
12 months to 31 Dec 2019	170,000	-	-	16,150	-	186,150	0%
J. Nery⁶							
12 months to 31 Dec 2019	253,153	-	-	-	-	253,153	0%
Total Key Management Personnel							
12 months to 31 Dec 2019	423,153	-	-	16,150	-	439,303	0%
Total Directors and Key Management Personnel							
12 months to 31 Dec 2019	702,361	-	-	20,711	50,000	773,072	0%

(1) Mr S. Copulos was appointed 28 February 2019; resigned 1 January 2020.

(2) Mr A. Vickerman resigned 28 February 2019.

(3) Mr A. Richards was appointed 28 February 2019.

(4) Mr P. Stephen resigned 30 January 2019.

(5) Mr M. Engelbrecht resigned 28 February 2019.

(6) Mr J. Nery resigned 20 January 2020.

Remuneration Report – audited (continued)**Compensation options granted and vested during the period (consolidated)**

No compensation options issued to Directors and Key Management Personnel “KMP” vested during the year ended 31 December 2020 (2019: nil).

Shares issued on Exercise of Compensation Options

During the year, no Directors or Key Management Personnel exercised options that were granted to them as part of their compensation (2019: nil).

Value of options issued to Key Management Personnel

During the current financial period there were no options granted (2019: nil) to Directors and Key Management Personnel related to share-based payments compensation. No options granted to Directors or Key Management Personnel were exercised during the year. No options granted to Directors or Key Management Personnel as part of remuneration lapsed during the year and no options were forfeited.

Options holdings of Directors and Key Management Personnel (“KMP”) – (pre-consolidation)

	Balance at 1 Jan 20	Granted as remuneration	Options lapsed	Net Other Changes	Balance at 31 Dec 20	Not vested and not exercisable at 31 Dec 20	Vested and exercisable at 31 Dec 20	Options vested during the period
Directors								
A.Richards ¹	-	-	-	-	-	-	-	-
S. Copulos ²	128,134,473	-	-	-	-	-	128,134,473	-
J. Evans	-	-	-	-	-	-	-	-
J. Cathcart	-	-	-	-	-	-	-	-
B. Nicholls	-	-	-	-	-	-	-	-
KMP								
A. Beigel	633,334	-	-	-	633,334	-	633,334	-
D. Uchoa	-	-	-	-	-	-	-	-
P. Diaz	-	-	-	-	-	-	-	-
J. Nery	-	-	-	-	-	-	-	-
Total	128,767,807	-	-	-	633,334	-	128,767,807	-

	Balance at 1 Jan 19	Granted as remuneration	Options lapsed	Net Other Changes	Balance at 31 Dec 19	Not vested and not exercisable at 31 Dec 19	Vested and exercisable at 31 Dec 19	Options vested during the period
Directors								
S. Copulos	18,134,472	-	-	110,000,001	128,134,473	-	128,134,473	100,000,001
A.Vickerman ³	832,854	-	-	-	832,854	-	832,854	-
P. Stephen ⁴	-	-	-	-	-	-	-	-
J. Evans	-	-	-	-	-	-	-	-
M. Engelbrecht ⁵	18,213,654	-	(17,622,977)	-	590,677	-	590,677	-
A.Richards	-	-	-	-	-	-	-	-
KMP								
A. Beigel	-	-	-	633,334	633,334	-	633,334	633,334
J. Nery	-	-	-	-	-	-	-	-
Total	37,180,980	-	(17,622,977)	110,633,335	130,191,338	-	130,191,338	110,633,335

- (1) Mr A. Richards was appointed 28 February 2019.
- (2) Mr S. Copulos resigned 1 January 2020.
- (3) Mr A. Vickerman resigned 28 February 2019.
- (4) Mr P. Stephen resigned 30 January 2019.
- (5) Mr M. Engelbrecht resigned 28 February 2019.
- (6) Mr A. Richards was appointed 28 February 2019.

Performance Rights Granted as Remuneration

Following shareholder approval at the general meeting held on 24 July 2020, 124,558,853 performance rights (pre-consolidation) were issued to KMP (2019:nil).

The performance rights were granted for nil consideration and vest subject to certain operational and market performance conditions being met. The fair value of the performance rights granted were determined using a Black Scholes binomial valuation (for non-market based performance conditions) and a Monte Carlo simulation (for market based performance conditions).

Name	Number of performance rights granted during FY20 (pre-consolidation)	Fair value of performance rights (per right)
Andrew Richards	65,000,000	\$0.037
Andrew Richards	20,000,000	\$0.0162
Pablo Diaz	32,500,000	\$0.037
John Cathcart	2,352,951	\$0.032
John Evans	2,352,951	\$0.032
Beau Nicholls	2,352,951	\$0.032

Performance Rights holdings of Directors and Key Management Personnel

The table below outlines the movements in performance rights (pre-consolidation) during the 2020 financial year and the balance held by each KMP at 31 December 2020.

On vesting, each right automatically converts to one ordinary share. If the employee ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board.

2020 Name & Grant Dates	Balance at 1 Jan 20 (unvested)	Granted as remuneration	Vested and exercised	Forfeited	Balance at 31 Dec 20	Vested and exercisable at 31 Dec 20	Unvested at 31 Dec 20
A. Richards							
24 July 2020	-	85,000,000	(15,000,000)	-	70,000,000	-	70,000,000
J. Evans							
24 July 2020	-	2,352,951	-	-	2,352,951	-	2,352,951
J. Cathcart							
24 July 2020	-	2,352,951	-	-	2,352,951	-	2,352,951
B. Nicholls							
24 July 2020	-	2,352,951	-	-	2,352,951	-	2,352,951
P. Diaz							
24 July 2020	-	32,500,000	-	(2,500,000)	30,000,000	-	30,000,000
Total	-	124,558,853	(15,000,000)	(2,500,000)	107,058,853	-	107,058,853

The fair value of performance rights with non-market based vesting conditions were valued using the share price on grant date (no dividends forecasted). For the performance rights with a market based vesting condition, a Monte Carlo simulation model was used with the following inputs:

- Effective interest rate: 0.4259%
- Volatility: 80%
- Expiry date: 24 July 2025
- Share price at grant date: \$0.037
- Exercise price: nil.

The performance rights granted to Mr Richards and Mr Diaz are subject to certain operational and market performance conditions being met, as follows:

Recipient	Amount (pre-consolidation)	Performance Condition
A. Richards	15,000,000	Completion of the Borborema Gold Project Definitive Feasibility Study
	30,000,000	Commencement of mining and production at Borborema Gold Project on or before 30 June 2022
	10,000,000	Achieving the KPI of AISC < US\$839 for first year of production on or before 30 June 2023
	10,000,000	Achieving the KPI of Stage 2 Expansion Assessment on or before 30 June 2025
	20,000,000	Achieving an average \$500m market capitalisation for a period of 12 months (or if change of control valued at >\$500m), otherwise at the discretion of the Board upon change of control
P. Diaz	2,500,000	Borborema Gold Project finance received on or before 31 December 20
	5,000,000	Commencement of mining and production at Borborema Gold Project on or before 30 June 2022
	2,500,000	Achieving throughput in the first 6 months at or greater than budget tonnes and grade on or before 31 December 22
	2,500,000	Achieving the KPI of AISC < US\$839 for first year of production on or before 30 June 2023
	2,500,000	Achieving the KPI of AISC < US\$800 for first year of production on or before 30 June 2023
	5,000,000	Achieving throughput in the first 12 months at or greater than budget tonnes and grade on or before 30 June 23
	2,500,000	Achieving the KPI of Stage 2 Expansion Assessment on or before 30 June 2025
	10,000,000	Achieving the KPI of Stage 2 Expansion in accordance with schedule

KMP and Director shareholding (pre-consolidation)

	Balance at 1 Jan 20	Shares issued on exercise of performance rights	Shares Purchased	Net Other Changes	Shares Sold	Balance at 31 Dec 20
Directors						
A. Richards	14,500,000	15,000,000	-	5,000,000	-	34,500,000
S. Copulos ¹	508,750,553	-	-	-	(2,853,970)	505,896,583
J. Evans	1,200,000	-	-	-	-	1,200,000
J. Cathcart ⁶	-	-	-	-	-	-
B. Nicholls ⁷	-	-	-	-	-	-
KMP						
A. Beigel	2,208,458	-	-	-	-	2,208,458
J. Nery	-	-	-	-	-	-
D. Uchoa ⁸	-	-	-	-	-	-
P. Diaz ⁹	-	-	-	-	-	-
Total	526,659,011	15,000,000	-	5,000,000	(2,853,970)	543,805,041

KMP and Director shareholding (pre-consolidation)

	Balance at 1 Jan 19	Shares issued on exercise of performance rights	Shares Purchased	Net Other Changes	Shares Sold	Balance at 31 Dec 19
Directors						
S. Copulos ¹	104,771,102	-	153,879,719	250,099,732	-	508,750,553
A. Vickerman ²	1,665,709	-	-	-	-	1,665,709
M. Engelbrecht ³	2,721,354	-	-	-	-	2,721,354
P. Stephen ⁴	3,543,780	-	-	-	-	3,543,780
A. Richards ⁵	-	-	9,500,000	5,000,000	-	14,500,000
J. Evans	-	-	-	1,200,000	-	1,200,000
KMP						
A. Beigel	308,458	-	1,900,000	-	-	2,208,458
J. Nery	-	-	-	-	-	-
Total	113,010,403	-	165,279,719	256,299,732	-	534,589,854

- (1) Mr S. Copulos resigned 1 January 2020.
- (2) Mr A. Vickerman resigned 28 February 2019.
- (3) Mr M. Engelbrecht resigned 28 February 2019.
- (4) Mr P. Stephen resigned 30 January 2019.
- (5) Mr A. Richards was appointed 28 February 2019.
- (6) Mr J. Cathcart was appointed 1 January 2020.
- (7) Mr B. Nicholls was appointed 1 January 2020.
- (8) Ms D. Uchoa was appointed 1 January 2020.
- (9) Mr P. Diaz was appointed 1 March 2020.

Convertible note holdings of Directors and Key Management Personnel

During the year no convertible notes were issued or converted (2019: \$2,400,000 notes converted).

Loans to Directors and Key Management Personnel

There were no loans to any Directors or Key Management Personnel during the year (2019: nil).

Specific transactions with Directors and Key Management Personnel

There were no transactions with any Directors or Key Management Personnel that were more favourable than those available, or which might reasonably be expected to be available, to non-related parties on an arm's length basis.

This ends the audited Remuneration Report.

Directors' benefits

No Director of the Company has received, or become entitled to receive, any benefit because of a contract that the Director, or a firm of which the Director is a member, or an entity in which the Director has substantial financial interest, made with the Company, or with an entity that the Company controlled, or with a body corporate that was related to the Company, other than the benefits included in the aggregate amount of emoluments received, or due and receivable, by the Directors and disclosed in Note 7 to the Financial Statements.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council.

The Company's corporate governance policies are all available on the Company's website at www.bigrivergold.com.au.

Committee memberships

The Company maintains an Audit and Risk Committee and a Remuneration Committee which consist of the following Directors:

Audit and Risk Committee	Remuneration Committee
J. Evans (Chairman)	J. Evans (Chairman)
J. Cathcart	J. Cathcart
B. Nicholls	B. Nicholls

Meetings of Directors

The number of Directors' meetings held during the financial year and the numbers of meetings attended by each Director were:

Directors	Directors' meetings		Remuneration Committee meetings		Audit and Risk Committee meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
A. Richards	6	6	-	-	-	-
J. Evans	6	6	3	3	2	2
J. Cathcart	6	6	3	3	2	2
B. Nicholls	6	6	3	3	2	2

Auditor's independence

The auditor's independence declaration for the financial year ended 31 December 2020 has been received and is to be found on page 64.

Non-audit services

No non-audit services were provided by the entity's auditor, Deloitte Touche Tomatsu, and no fees were paid or are payable to Deloitte Touch Tohmatsu for non-audit services for the financial year ended 31 December 2020.

This report is signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors



Andrew Richards
Executive Chairman
 Perth, 31 March 2021

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.

Definitive Feasibility Study (DFS)

A DFS for development and construction of Stage 1 of the Borborema Project was completed in December 2019 (refer ASX Announcement of 23 December, 2019) and updated in July 2020 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.

All material assumptions underpinning the production targets and forecast financial information continue to apply and have not changed materially.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Consolidated	
		Dec 2020	Dec 2019 Restated*
		\$	\$
Continuing operations			
Gross Profit		-	-
Other income	3	1,098,703	313,959
Fair value gain on equity investment at FVPL	10	-	2,250,000
Administration		(1,238,826)	(586,361)
Corporate expenses	3	(2,142,876)	(2,136,710)
Finance costs	3	(11,209)	(396,020)
Depreciation and amortisation	3	(36,521)	(38,294)
Exploration and evaluation	3	(47,717)	(21,860)
Unrealised foreign exchange (loss)/gain		(397,203)	(48,896)
Other expenses from ordinary activities		(148,125)	(952,661)
Loss before income tax		(2,923,774)	(1,616,843)
Income tax (expense)/benefit	4	-	-
Net loss from continuing operations		(2,923,774)	(1,616,843)
Discontinued Operations			
Net (loss)/profit from discontinued operations	22	-	6,346,545
Net (loss)/profit for the year		(2,923,774)	4,729,702
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(4,293,142)	(127,207)
Exchange differences on translation of discontinued operation		-	(6,767,215)
Net fair value (loss) on available-for-sale assets taken to equity		-	-
Other comprehensive loss for the year, net of income tax		(4,293,142)	(6,894,422)
Total comprehensive loss for the year attributable to owners of the parent		(7,216,916)	(2,164,720)
Loss per share from continuing operations (on a post-consolidation basis)			
Basic (cents per share)	17	(1.76)	(1.45)
Diluted (cents per share)	17	(1.76)	(1.45)
(Loss)/profit per share from continuing and discontinued operations (on a post-consolidation basis)			
Basic (cents per share)	17	(1.76)	4.25
Diluted (cents per share)	17	(1.76)	3.26

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

*See note 2(c) for details regarding the restatement as a result of an error.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Consolidated	
		Dec 2020	Dec 2019 (Restated*)
		\$	\$
Current Assets			
Cash and cash equivalents	23(a)	9,884,673	4,313,096
Trade and other receivables	9	57,642	150,207
Other current assets		126,081	439,698
Total Current Assets		10,068,396	4,903,001
Non-Current Assets			
Exploration and evaluation assets	11	17,812,173	20,848,286
Property, plant and equipment	12	109,431	85,742
Right-of-use asset		13,600	24,936
Total Non-Current Assets		17,935,204	20,958,964
Total Assets		28,003,600	25,861,965
Current Liabilities			
Trade and other payables	13	516,066	564,476
Lease liability - current		6,933	21,974
Total Current Liabilities		522,999	586,450
Non-Current Liabilities			
Trade and other payables	13	1,041,882	620,355
Lease liability – non-current		-	10,133
Total Non-Current Liabilities		1,041,882	630,488
Total Liabilities		1,564,881	1,216,938
Net Assets		26,438,719	24,645,027
Equity			
Total equity attributable to equity holders of the Company			
Issued capital	14	102,313,256	94,022,742
Reserves	15	(10,659,142)	3,863,428
Retained earnings	16	(65,215,395)	(73,241,143)
Total Equity		26,438,719	24,645,027

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

*See note 2(c) for details regarding the restatement as a result of an error.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 DECEMBER 2020**

Consolidated	Attributable to equity holders of the parent						Total Equity
	Issued Capital	Retained Earnings	Foreign Currency Translation Reserve	Share Based Payments Reserve	Reserves Investment Revaluation Reserve	Convertible Note Reserve	
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2020 (restated*)	94,022,742	(73,241,143)	(8,474,595)	12,221,008	-	117,015	24,645,027
Other comprehensive loss for the year	-	-	(4,293,142)	-	-	-	(4,293,142)
Loss for the year	-	(2,923,774)	-	-	-	-	(2,923,774)
Total comprehensive loss for the year	-	(2,923,774)	(4,293,142)	-	-	-	(7,216,916)
Transfer from other reserves	-	10,949,522	-	(10,949,522)	-	-	-
Shares issued	8,416,734	-	-	-	-	-	8,416,734
Share issued upon exercise of options	63,026	-	-	(16,512)	-	-	46,514
Performance rights exercised	740,000	-	-	(740,000)	-	-	-
Share issue costs ¹	(929,246)	-	-	-	-	-	(929,246)
Recognition of share-based payments – for services provided by third parties	-	-	-	363,603	-	-	363,603
Recognition of share-based payments – Key management personnel and directors	-	-	-	1,113,003	-	-	1,113,003
At 31 December 2020	102,313,256	(65,215,395)	(12,767,737)	1,991,580	-	117,015	26,438,719

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

1 Share issue cost include cash consideration and share-based payments (Refer note 6).

*See note 2(c) for details regarding the restatement as a result of an error.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONTINUED)**

Consolidated	Attributable to equity holders of the parent						Total Equity
	Issued Capital	Retained Earnings (Restated*)	Foreign Currency Translation Reserve (FCTR) (Restated*)	Share Based Payments Reserve	Reserves Investment Revaluation Reserve	Convertible Note Reserve	
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2019	86,352,263	(77,959,064)	(1,580,173)	10,970,147	-	157,728	17,940,901
Adjustment on change in accounting policy as a result of adopting AASB9	-	(11,781)	-	-	-	-	(11,781)
At 1 January 2019 (restated)*	86,352,263	(77,970,845)	(1,580,173)	10,970,147	-	157,728	17,929,120
Other comprehensive loss for the year	-	-	(127,207)	-	-	-	(127,207)
Exchange differences on translation of discontinued operation	-	-	(6,767,215)	-	-	-	(6,767,215)
Profit for the year	-	4,729,702	-	-	-	-	4,729,702
Total comprehensive loss for the year	-	4,729,702	(6,894,422)	-	-	-	(2,164,720)
Shares issued	5,837,473	-	-	-	-	-	5,837,473
Share issue costs	(729,992)	-	-	-	-	-	(729,992)
Conversion of Convertible Notes	2,400,000	-	-	-	-	(153,375)	2,246,625
Issuance of Convertible Note	-	-	-	-	-	112,662	112,662
Share Based Payments	162,998	-	-	1,250,861	-	-	1,413,859
At 31 December 2019	94,022,742	(73,241,143)	(8,474,595)	12,221,008	-	117,015	24,645,027

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

*See note 2(c) for details regarding the restatement as a result of an error.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Consolidated	
		Dec 2020 \$	Dec 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,382,111)	(3,741,565)
Finance Costs		-	(125,000)
Receipts from Research and Development Tax Incentives		122,637	-
Interest paid on leases		(2,257)	(7,641)
Receipts from other entities		100,842	-
Net cash (used in) operating activities	23(b)	(1,160,889)	(3,866,565)
Cash flows from investing activities			
Interest received		5,095	11,384
Receipts for disposal of property, plant and equipment		939,641	1,144,835
Payment for exploration and evaluation		(1,987,940)	(2,491,650)
Payments for property, plant and equipment		(74,583)	-
Proceeds from sale of equity investments		-	2,750,000
Net cash (used in) investing activities		(1,117,787)	1,414,569
Cash flows from financing activities			
Proceeds from issues of equity securities ¹		8,613,627	5,837,473
Proceeds from exercise of share options		46,514	-
Costs of issuing securities	14	(565,643)	(431,792)
Proceeds from borrowings		-	750,000
Repayment of borrowings		-	(750,000)
Repayment of lease liabilities		(9,873)	(21,178)
Proceeds from issue of convertible notes		-	1,000,000
Net cash provided by financing activities		8,084,625	6,376,862
Net increase in cash and cash equivalents		5,805,949	3,924,866
Cash and cash equivalents at the beginning of the financial year		4,313,096	432,228
Effect of exchange rate fluctuations on cash held in foreign currencies		(234,372)	(43,998)
Cash and cash equivalents at the end of the financial year	23(a)	9,884,673	4,313,096

(1) Includes \$196,893 restricted cash relating to equity securities issued on 5 January 2021.

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

Notes to the Annual Financial Statements

1. GENERAL INFORMATION

Big River Gold 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 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 financial year ended 31 December 2020 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

For the purpose of preparing the Consolidated Financial Statements, the Company is a “for profit” entity. The Financial Report is a General Purpose Financial Report which has been prepared in accordance with Accounting Standards (including Interpretations) and the Corporations Act 2001 (Cth). Accounting Standards include Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures the Consolidated Financial Report of the Group complies with International Financial Reporting Standards (“IFRSs”).

(b) Basis of preparation

The Financial Report has also been prepared on an accruals basis and historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

The Financial Statements were approved by the Board of Directors on 31 March 2021.

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 \$2,923,774 (2019: restated profit of \$4,729,702) and experienced net cash outflows from operating and investing activities of \$2,278,676 (2019: outflow of \$2,451,996) for the year ended 31 December 2020. As at this date, the Group had a net current asset position of \$9,545,397 (31 December 2019: net current asset position of \$4,316,551). Cash and cash equivalents totalled \$9,884,673 as at 31 December 2020 (31 December 2019: \$4,313,096).

The Directors have prepared a cash flow forecast for the Group out to 31 March 2022 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 development expenditure related to the Borborema Gold Project.

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

Notes to the Annual Financial Statements

(c) Correction of foreign currency translation reserve

The Group identified that the cumulative amount of foreign exchange differences in relation to the disposal of Juruena-Novo Astro Gold (Juruena) projects was not reclassified from equity to profit or loss upon the disposal of Juruena during the year ended 31 December 2019. The error resulted in a material understatement of the profit/(loss) for the year ended 31 December 2019 and a corresponding overstatement of the foreign currency translation reserve. There are no tax consequences from the reclassification. The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Consolidated statement of financial position (extract):

	31 December 2019	Increase/(Decrease)	31 December 2019 (Restated)
Reserves [#]	10,630,643	(6,767,215)	3,863,428
Retained earnings	(80,008,358)	6,767,215	(73,241,143)
Total equity	24,645,027	-	24,645,027

[#]The adjustment to reserves relates to the Foreign currency translation reserve specifically.

Consolidated statement of profit or loss and other comprehensive income (extract):

	2019	Increase/ (Decrease)	2019 (Restated)
	\$	\$	\$
Net (loss)/profit from discontinued operations	(420,962)	6,767,215	6,346,545
Net (Loss)/profit for the year	(2,037,513)	6,767,215	4,729,702
Exchange differences on translation of discontinued operation	-	(6,767,215)	(6,767,215)
Other comprehensive loss for the year, net of income tax	(127,207)	(6,767,215)	(6,894,422)
Total comprehensive loss for the year attributable to owners	(2,164,720)	-	(2,164,720)
Profit/(loss) per share from continuing operations (on a post-consolidation basis)			
Basic	(1.45)	-	(1.45)
Diluted	(1.45)	-	(1.45)
Profit/(loss) per share from continuing and discontinued operations (on a post-consolidation basis)			
Basic	(1.83)	6.08	4.25
Diluted	(1.83)	5.10	3.26
Profit/(loss) per share from continuing operations (on a pre-consolidation basis)			
Basic	(0.18)	-	(0.18)
Diluted	(0.18)	-	(0.18)
Profit/(loss) per share from continuing and discontinued operations (on a pre-consolidation basis)			
Basic	(0.23)	0.76	0.53
Diluted	(0.23)	0.64	0.41

Basic and diluted Earnings Per Share information for 31 December 2019 and 2020 has been presented to reflect the number of shares post the share-consolidation that occurred in February 2021 as required by AASB 133/Australian Accounting Standards (refer to Note 17). For informational purposes basic and diluted EPS information has been presented on both a pre-and post- consolidation basis.

The correction further affected some of the amounts disclosed in note 15, note 16 and note 22.

Notes to the Annual Financial Statements

(d) Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and the entities controlled by the Company (its subsidiaries). Subsidiaries are entities controlled by the Group. Control exists when the Group has power over the investee, is exposed to, or has right to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

In preparing the Consolidated Financial Statements, all inter-company balances and transactions, income and expenses, profit and losses resulting from intra-group transactions have been eliminated in full.

(e) Foreign currency

The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Big River Gold Limited and the presentation currency for the Consolidated Financial Statements. The functional currencies of Crusader do Brasil Mineração Ltda, Cascar Mineração Ltda and Crusader do Nordeste Mineração Ltda are Brazilian Real (BRLs).

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from, or payable to, a foreign operation, for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the Foreign Currency Translation Reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulated in equity.

(f) Financial Instruments

The Group classifies its financial assets in the following measurement categories:

Classification

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Annual Financial Statements

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Annual Financial Statements

(g) 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.

(h) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a straight line basis so as to write off the net cost, or other revalued amount, of each asset over its estimated useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method, are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The estimated useful lives for plant and equipment range from 1 to 40 years, as below:

Category	Life (years)		Depreciation Rate	
	Min	Max	Min	Max
Buildings	25	40	2.5%	4.0%
Computers	2	4	25.0%	50.0%
Furniture	5	10	10.0%	20.0%
Plant	5	15	6.7%	20.0%
Software	1	2	50.0%	100.0%
Vehicles	2	5	20.0%	50.0%

(j) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(k) Impairment of other tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indications that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the Cash-Generating Unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual Cash-Generating Units. Otherwise they are allocated to the smallest group of Cash-Generating Units for which a reasonable and consistent allocation basis can be identified.

Notes to the Annual Financial Statements

Intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or Cash-Generating Unit) is estimated to be less than its carrying amount, the carrying amount of the asset (Cash-Generating Unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash-Generating Unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (Cash-Generating Unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit and loss unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase.

(l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service, leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(m) Share-based payment transactions

Equity-settled share based payments with employees and others providing services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate options pricing model. Further details of how the fair value of equity settled share transactions has been determined can be found in Note 6.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The number of shares expected to vest is estimated based on the non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Notes to the Annual Financial Statements

(n) Revenue recognition

The Group expect to primarily generate revenue from the sale of gold. Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the refinery);
- payment terms for the sale of goods can be clearly identified through the sale of metal credits received or receivable for the transfer of control of the asset;
- the Group can determine with sufficient accuracy the metal content of the goods delivered; and
- the refiner has no practical ability to reject the product where it is within contractually specified limits.

Where economic inflows arise from other by-products, for example from the presence of other valuable metals, these amounts are credited to the costs of producing the primary products to the extent the amounts generated are not considered significant.

(o) 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).

Deferred income tax is provided on all temporary differences that exist at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of goodwill, or of an asset, or liability, in a transaction that is not a business combination, and, at the time of the transaction, affects neither the accounting profit nor taxable loss; and
- in respect of taxable temporary differences, associated with investments in subsidiaries, associates and interests in joint ventures and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences that exist at each reporting date, the carry forward amount of all unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward amount of any unused tax credits and any unused tax losses, can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, in which case deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred tax assets to be utilised.

Notes to the Annual Financial Statements

Unrecognised deferred income tax assets are re-assessed at each reporting date and reduced to the extent that it has become probable that future taxable profit will allow all, or part of, the deferred tax credit to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are recognised as items of income or expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(p) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense item as applicable.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the relevant taxation authority.

(q) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - b. the exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Notes to the Annual Financial Statements

(r) Mine development properties

The Group will make a decision to proceed with mine development once the commercial and technical viability has been confirmed. This will usually be supported by the completion of a full feasibility study. Costs are accumulated for each identifiable area of interest under development or in production. The accumulated costs are amortised over the life of the mine on the unit of production basis, once production has commenced.

(s) Critical accounting judgements and key sources of uncertainty

The following are the critical judgements that the Group has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the Financial Statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of revision, and future periods if the revision affects both current and future periods.

Capitalised exploration expenditure

The Group reviews the carrying value of all capitalised exploration expenditure assets for impairment at the end of each annual reporting period, and where the Group believes an asset has been impaired, the adjustment to fair value is recorded through profit or loss. The ultimate recoupment of these costs is dependent on the successful commercialisation of the project, or through sale to a third party, for at least the carrying value of the project.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with Directors, Senior Executives, other staff and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate options pricing model, which takes account of factors including the current value and volatility of the underlying share price, the risk free interest rate, expected dividends on the underlying share, and the vesting period. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

Notes to the Annual Financial Statements

	Consolidated	
	Dec 2020 \$	Dec 2019 \$
3. Revenue and Expenses		
<u>Revenue – other income</u>		
Miscellaneous income	100,246	-
Profit on disposal of asset	990,367	182,400
R&D income	1,845	120,791
Interest revenue	6,245	10,768
	1,098,703	313,959
<u>Expenses</u>		
Corporate expenses:		
Office facility expenses	46,800	238,388
Staff costs	343,063	377,018
Director fees	1,216,863	300,041
Professional fees	238,765	532,410
Marketing and media costs	81,714	146,020
Other corporate expenses	215,671	542,833
	2,142,876	2,136,710
Finance costs:		
Interest expense on leases	2,257	
Other financial expenses	8,952	396,020
	11,209	396,020
Depreciation and amortisation	36,521	38,294
Exploration and evaluation:		
Other exploration (refer note 11)	47,717	21,860
	47,717	21,860
Employee expenses:		
Salaries and wages	551,871	893,066
Defined contribution plan	51,906	67,559
Other employee benefits	105,131	315,333
Equity-settled share-based payments (refer Note 6)	1,113,003	(20,625)
Annual Leave	50,559	65,224
	1,872,470	1,320,557

Employee expenses are included in Corporate expenses in the Statement of Profit or Loss.

Notes to the Annual Financial Statements

4. Income tax

a) The components of tax expense comprise

Current tax	-	-
Deferred tax	-	-

b) The prima facie tax benefit on loss from continuing operations before income tax is recognised to the income tax as follows:

	(2,923,774)	(1,616,843)
--	-------------	-------------

Prima facie tax benefit on loss from ordinary activities at 26% (December 2019 27.5%)

	(760,181)	(444,632)
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Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Entertainment	409	691
Fines	37	645
Foreign Losses	(43,427)	189,689
Cashflow Boost	(26,000)	-
Research and Development	-	43,145
	(829,162)	(210,462)

Movement in unrecognised temporary differences on comparable income tax rates of 26% (prior year 27.5%)

	(262,621)	(227,210)
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Tax effect of change in tax rate

	-	-
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Tax effect of current year tax losses for which no deferred tax asset has been recognised

	1,091,783	437,671
--	-----------	---------

Income tax expense

	-	-
--	---	---

c) The following deferred tax balances have not been recognised (at relevant tax rates):

	Dec 2020 \$	Consolidated Dec 2019 \$
Investments	13,000	13,750
Depreciable Assets	2,461	-
Accrued expenses	15,860	23,069
Capitalised expenses	666,116	704,710
Capitalised tenement acquisition costs	131,415	138,996
Entity establishment costs	210,438	347,479
Borrowing costs	-	-
Provision for expenses	17,367	19,826
Capital raising costs	427,955	528,429
Carry forward revenue tax losses	12,510,630	11,617,161
Carry forward capital tax losses	1,416,421	1,416,421

Notes to the Annual Financial Statements

Carry forward foreign tax losses	7,904,662	7,657,613
	<u>23,316,325</u>	<u>22,467,454</u>
Deferred tax liabilities (at relevant tax rates)		
Prepaid expenses	1,802	4,014
Right of Use Asset/Liability	1,733	-
Accrued interest income	-	-
	<u>3,535</u>	<u>4,014</u>
Net deferred tax asset not recognised	<u>23,312,790</u>	<u>22,463,440</u>

The current taxation legislation in Brazil enables tax to be paid under one of the following ways:

1. Income tax is payable at 3% of gross revenue
2. Income tax is payable at 34% of net profit.

During the year ended 31 December 2020, the group elected to pay tax on 34% of net profit as this is the lowest cost option.

The deferred tax asset and liability has not been brought to account as it is unlikely that they will be utilised unless the company generates sufficient revenue to utilise them.

Notes to the Annual Financial Statements

5. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Capital risk
- Credit risk
- Foreign exchange risk
- Interest rate risk
- Equity risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Senior Executives monitor and mitigate the financial risks relating to the operations of the Group through regular reviews of the risks.

Categories of financial instruments

	Consolidated	
	Dec 2020	Dec 2019
	\$	\$
Financial assets		
Cash and cash equivalents	9,884,673	4,313,096
Loans and receivables	57,642	150,207
	<u>9,942,315</u>	<u>4,463,303</u>
Financial liabilities		
Trade and other payables	516,066	564,476
Lease Liability	6,933	21,974
	<u>522,999</u>	<u>586,450</u>

Capital risk management

The Group manages its capital as a going concern while maximising the return to shareholders through the optimisation of its capital employed.

The capital structure of the Group consists of cash and cash equivalents, debt funding and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated loss as disclosed in Notes 14, 15 and 16 respectively. None of the Group's entities is subject to externally imposed capital requirements.

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Notes to the Annual Financial Statements

Trade and other receivables

Where appropriate, the group has established an allowance for impairment that represents incurred losses in respect of other receivables and payments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The below table shows the distribution of trade receivables at the end of the period before any provision for expected credit losses. Refer to Note 9 for further information.

Customer	Dec 2020		Dec 2019	
	\$	%	\$	%
Siderurgica Noroeste Ltda	76,308	50.5	108,317	43.2
Siderbras Siderurgica Brasileira Ltda	74,882	49.5	106,293	42.4
CNS Empreendimentos Em Transportes e Minerios	-	-	35,871	14.4
	<u>151,190</u>	<u>100</u>	<u>250,482</u>	<u>100</u>

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	Dec 2020 \$	Dec 2019 \$
Cash and cash equivalents	9,884,673	4,313,096
Loans and receivables	57,642	150,207

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash by continuously monitoring forecast and actual cash flows.

Typically, the Group ensures it has sufficient cash on demand to meet expected operational expenses for a period of ninety days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk management

The Group's activities expose it primarily to financial risks such as foreign exchange rates, interest rates and equity prices which will affect the Group's income and the value of its holdings of financial instruments. The objective of market risk management is to mitigate and control market risk exposures within acceptable parameters, while optimizing shareholder return.

Notes to the Annual Financial Statements

Foreign currency risk management

The Group is exposed to foreign currency risk from investments and borrowings held in a currency other than the Group's functional currency. The Group's exposure to foreign currency risk relates to financial instruments held in Brazilian Reals. At the reporting date the holdings were as follows:

	Consolidated	
	Dec 2020 \$	Dec 2019 \$
Financial assets		
Cash and cash equivalents	109,408	169,132
	109,408	169,132
Financial liabilities		
Trade and other payables	97,816	171,677
Provisions	994,279	742,412
	1,092,095	914,089

Foreign currency sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign exchange risks at the end of the reporting period:

If the AUD/BRL exchange rate had been 10% higher/lower net profit for the year ended 31 December 2020 would have increased/decreased by \$55,959 (year ended 31 December 2019: increased/decreased by \$95,350).

The following tables detail the Group's remaining contractual maturity for its non-derivative financial instruments:

Dec 2020 Consolidated	Weighted Average Interest Rate	Variable Interest Rate	Non-interest Bearing	Total
	%	\$	\$	\$
<u>Financial Assets</u>				
Cash and cash equivalents	0.17%	9,884,673	-	9,884,673
Trade and other receivables	-	-	57,642	57,642
		9,884,673	57,642	9,942,315
<u>Financial Liabilities</u>				
Trade and other payables	-	-	(516,066)	(516,066)
Lease Liabilities	-	-	(6,933)	(6,933)
	-	-	(522,999)	(522,999)
Net financial assets/(liabilities)	-	9,884,673	(465,357)	9,419,316

Notes to the Annual Financial Statements

Dec 2019 Consolidated	Weighted Average Interest Rate	Variable Interest Rate	Non-interest Bearing	Total
	%	\$	\$	\$
Financial Assets				
Cash and cash equivalents	0.40%	4,313,096	-	4,313,096
Trade and other receivables	-	-	150,207	150,207
		4,313,096	150,207	4,463,303
Financial Liabilities				
Trade and other payables	-	-	(586,450)	(586,450)
	-	-	(586,450)	(586,450)
Net financial assets/(liabilities)	-	4,313,096	(436,243)	3,876,853

Fair values at amortised costs

The carrying value of the Group's financial assets and liabilities are equal to their respective net fair values.

Fair values of financial instruments – valuation techniques and assumptions

The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of other financial assets and liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Notes to the Annual Financial Statements

6. Share-based payments

The expense recognised in profit or loss in relation to share-based payments is disclosed in Note 3.

The following share-based payments were made during the period:

Tranche 1 – Capital raising costs ¹	363,603
Directors' remuneration	1,049,702
Key management personnel	63,301
Total	1,476,606

¹ The Group granted the options in relation to the 7 December 2020 placement (tranche 1) and the 5 February 2021 placement (tranche 2) on 5 February 2021, after shareholder approval was obtained on 28 January 2021. The fair value of unlisted options is estimated as at the date of grant using a Binomial option valuation model taking into account the terms and conditions upon which the options were granted. The Group's valuation of the options is based on the following key inputs: Exercise price - \$0.06, Volatility – 101%, Risk-free interest rate – 0.295%, Expected spot price - \$0.058.

The Group has assessed that it is not able to reliably measure the fair value of the goods and services received from the counterparty of the share-based payment transaction and thus has measured the fair value of the securities issued by reference to the fair value of the equity instruments granted.

Options over Unissued Shares

The following table illustrates the number and Weighted Average Exercise Prices (WAEPs) of, and movements in, share options issued during the period (pre-consolidation):

	Dec 2020 No.	Dec 2020 WAEP	Dec 2019 No.	Dec 2019 WAEP
Outstanding at the beginning of the period	254,459,656	0.03	104,500,121	0.30
Granted during the period	-	-	179,082,512	0.02
Lapsed during the period	(75,377,144)	0.06	(29,122,977)	0.26
Reversal of lapsed options	-	-	-	-
Exercised during the period	(2,325,688)	0.02	-	-
Outstanding at the end of the period	176,756,824	0.02	254,459,656	0.03
Exercisable at the end of the period	176,756,824	0.02	254,459,656	0.03

The following share options were in existence during or at the end of the current financial period:

Options series	Grant date	Vesting date	Expiry date	Exercise price \$	Grant date fair value \$
Live at end of period					
Issued 4 July 2019	4-Jul-19	4-Jul-19	30-Jun-22	0.0200	0.0071

The weighted average remaining contractual life for the share options outstanding at 31 December 2020 is 1.5 years (December 2019: 1.88 years).

The range of exercise prices for options outstanding at the end of the period was \$0.02 - \$0.02 (December 2019: \$0.02 - \$0.06).

The weighted average fair value of options granted during the period was nil (December 2019: \$0.0071).

Notes to the Annual Financial Statements

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using an appropriate options pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used in relation to the options on issue as at 31 December 2019.

		Granted 2019
		\$0.02 Options
Dividend yield	%	-
Expected volatility	%	77%
Risk-free interest rate	%	0.94%
Expected life	Years	3.0
Exercise price	\$	0.02
Share price at grant date	\$	0.0216

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that will occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurements of fair value.

There were 2,325,688 (pre-consolidation) share options exercised during the year (2019: nil).

Employee share option plan

The Company received approval for the introduction of an employee share option scheme (the Plan) in 2008. The plan was last re-approved at a meeting of shareholders on 24 July 2020, the details of which are set out below. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The options can only be issued to Employees or Officers of the Company and its subsidiaries.
2. Each Option entitles the holder, on exercise, to one fully paid ordinary share in the Company.
3. Shares issued on exercise of Options will rank equally with other fully paid ordinary shares of the Company.
4. The exercise price and expiry date for the options will be as determined by the Board (in its discretion) on or before the date of issue.
5. The maximum number of options that can be issued under the Plan is not to be in excess of 5% of the total number of Shares on issue.
6. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may, in its absolute discretion, impose other conditions on the exercise of an option.
7. An Option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
8. Upon an Optionholder ceasing to be a Director, employee or officer of the Company, whether by termination or otherwise, the Optionholder has 45 days from the day of termination, or otherwise, to exercise their Options before their Options lapse.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur), then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.

Notes to the Annual Financial Statements

10. Options may not be transferred other than in cases where the Options have vested, are within six (6) months of the expiry date of the Options, and the Options are transferred to an Associate of the Optionholder. Quotation of options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of options.
11. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
12. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled, or the exercise price of his or her options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

Performance Rights

On 24 July 2020, following approval by shareholders at the annual general meeting, the Company issued 85,000,000 performance rights to Mr Andrew Richards with performance conditions, and 5,000,000 remuneration shares. A further 32,500,000 performance rights with performance conditions were issued to Mr Pablo Diaz. The performance conditions that the Board has determined will apply to the Performance Rights are outlined in the below table:

	Amount (Pre-consolidation)	Performance Condition
A. Richards	15,000,000	Completion of the Borborema Gold Project Definitive Feasibility Study
	30,000,000	Commencement of mining and production at Borborema Gold Project on or before 30 June 2022
	10,000,000	Achieving the KPI of AISC < US\$839 for first year of production on or before 30 June 2023
	10,000,000	Achieving the KPI of Stage 2 Expansion Assessment on or before 30 June 2025
	20,000,000	Achieving an average \$500m market capitalisation for a period of 12 months (or if change of control valued at >\$500m), otherwise at the discretion of the Board upon change of control
P. Diaz	2,500,000	Borborema Gold Project finance received on or before 31 December 2020
	5,000,000	Commencement of mining and production at Borborema Gold Project on or before 30 June 2022
	2,500,000	Achieving throughput in the first 6 months at or greater than budget tonnes and grade on or before 31 December 22
	2,500,000	Achieving the KPI of AISC < US\$839 for first year of production on or before 30 June 2023
	2,500,000	Achieving the KPI of AISC < US\$800 for first year of production on or before 30 June 2023
	5,000,000	Achieving throughput in the first 12 months at or greater than budget tonnes and grade on or before 30 June 23
	2,500,000	Achieving the KPI of Stage 2 Expansion Assessment on or before 30 June 2025
	10,000,000	Achieving the KPI of Stage 2 Expansion in accordance with schedule

Notes to the Annual Financial Statements

The fair value of performance rights with non-market based vesting conditions were valued using the share price on grant date (no dividends forecasted). For the performance rights with a market based vesting condition, a Monte Carlo simulation model was used with the following inputs:

- Effective interest rate: 0.4259%
- Volatility: 80%
- Expiry date: 24 July 2025
- Share price at grant date: \$0.037
- Exercise price: nil.

7. Key management personnel

Details of Key Management Personnel during the financial year:

Mr A. Richards	Chairman (Executive) – appointed 1 January 2020
Mr S. Copulos	Chairman (Non-Executive) – appointed 28 February 2019, resigned 1 January 2020
Mr J. Evans	Director (Non-Executive)
Mr B. Nicholls	Director (Non-Executive) – appointed 1 January 2020; Director (Technical) – appointed 8 March 2021
Mr J. Cathcart	Director (Non-Executive) – appointed 1 January 2020
Mr A. Beigel	Chief Financial Officer and Company Secretary
Mr J. Nery	Country Manager – resigned 20 January 2020
Ms D. Uchoa Lima	Country Manager – appointed 1 January 2020
Mr P. Diaz	Vice President, Operations – appointed 2 March 2020

The aggregate compensation provided to Directors and Key Management Personnel of the company and the group is set out below:

	Dec 2020 \$	Consolidated Dec 2019 \$
Short-term employee benefits	749,410	702,361
Post-employment benefits	35,339	20,711
Other long-term benefits	2,833	-
Share-based payments	1,113,003	50,000
	<u>1,900,585</u>	<u>773,072</u>

Further details relating to the compensation of Directors and Key Management Personnel are included within the Directors' Report.

Notes to the Annual Financial Statements

8. Auditors' Remuneration

	Dec 2020 \$	Consolidated Dec 2019 \$
<i>Audit of the Parent Entity</i>		
Audit or review of financial report	85,000	87,975
<i>Auditors of overseas entities</i>		
Audit or review of financial report	23,819	29,780
	108,819	117,755

The auditor of the Group is Deloitte Touche Tohmatsu.

9. Trade and Other Receivables

	Dec 2020 \$	Consolidated Dec 2019 \$
Current		
Trade receivables	151,190	250,482
Less provision for doubtful debts	(151,190)	(250,482)
Other receivables	57,642	150,207
	57,642	150,207

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

All receivables are collected within commercial terms. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has recognised an allowance for doubtful debts on the basis the amounts may not be recoverable.

An analysis of trade receivables by customer is disclosed in Note 5.

10. 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.

Amounts recognised in profit or loss

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

	Dec 2020 \$	Consolidated Dec 2019 \$
Fair value gains on equity investments at FVPL	-	2,250,000
	-	2,250,000

Notes to the Annual Financial Statements

	Dec 2020	Consolidated	Dec 2019
	\$		\$
11. Exploration and evaluation assets			
Costs brought forward	20,848,286		19,325,779
Expenditure incurred during the period	1,191,242		2,120,095
Amounts expensed	(47,717)		(21,860)
Effect of exchange rates	(4,179,638)		(575,728)
Costs carried forward	<u>17,812,173</u>		<u>20,848,286</u>

The Group has exploration and evaluation assets relating to the Borborema project which includes 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.

Expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset.

Exploration costs are capitalised to the extent that they are expected to be recouped through the successful development of a relevant area of interest or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Each area of interest was assessed for impairment triggers in accordance with the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* as at 31 December 2020, with no impairment triggers identified.

	Dec	Consolidated	Dec
	2020		2019
	\$		\$
12. Property, plant and equipment			
Balance at the beginning of the period			
Cost	2,053,795		2,060,063
Accumulated depreciation	(1,968,053)		(1,946,350)
Carrying amount at beginning of period	<u>85,742</u>		<u>113,713</u>
Additions	74,583		2,399
Disposals	(7,522)		(6,510)
Depreciation	(22,841)		(21,703)
Effect of foreign exchange	(20,531)		(2,157)
Carrying amount at the end of the period	<u>109,431</u>		<u>85,742</u>

Notes to the Annual Financial Statements

	Consolidated	
	Dec 2020 \$	Dec 2019 \$
13. Trade and other payables		
Current		
Trade payables and accruals	162,972	285,078
Annual leave and other benefits	87,998	104,275
Payroll and associated taxes	55,708	94,297
Other payables	209,388	80,826
	<u>516,066</u>	<u>564,476</u>
Non-current		
Other payables	616,676	620,355
Payroll taxes	425,206	-
	<u>1,041,882</u>	<u>620,355</u>
Total Current and non-current Trade and other payables	<u>1,782,825</u>	<u>1,184,831</u>

Trade payables are non-interest bearing and are normally settled on 30 day terms.

14. Issued capital

	No.	\$
Ordinary shares issued and fully paid (pre-consolidation)		
At 31 December 2019	<u>1,317,197,554</u>	<u>100,922,544</u>
At 31 December 2020	<u>1,507,857,927</u>	<u>102,296,743</u>

Fully paid ordinary shares carry one vote per share and the right to receive dividends.

The below table is pre-consolidation of share capital.

Fully paid ordinary share capital	Dec 2020		Dec 2019	
	No.	\$	No.	\$
Balance at the start of the financial period	1,317,197,554	94,022,742	502,150,521	86,352,263
Shares issued for cash	168,334,685	8,416,734	558,747,301	5,837,473
Conversion of Convertible Notes	-	-	240,000,000	2,400,000
Share based payments	20,000,000	740,000	16,299,732	162,998
Shares issued on exercise of options	2,325,688	63,026	-	-
Capital raising costs	-	(929,246)	-	(729,992)
Balance at end of financial period	<u>1,507,857,927</u>	<u>102,313,256</u>	<u>1,317,197,554</u>	<u>94,022,742</u>

Notes to the Annual Financial Statements

15. Reserves

Nature and purpose of reserves

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of performance rights granted to employees but not yet vested. The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The convertible note reserve represents the equity component (conversion rights) on the issue of unsecured convertible notes.

	Consolidated	
	Dec 2020	Dec 2019 Restated
	\$	\$
Reserves		
Share-based payment reserve	1,991,580	12,221,008
Foreign currency translation reserve	(12,767,737)	(8,474,595)
Other reserve	117,015	117,015
	(10,659,142)	3,863,428
<i>Foreign currency translation reserve</i>		
Balance at the beginning of the financial period	(8,474,595)	(1,580,173)
Currency translation differences arising during the period	(4,293,142)	(127,207)
Exchange differences on translation of discontinued operation	-	(6,767,215)
Balance at the end of the financial period	(12,767,737)	(8,474,595)
<i>Share based payments reserve</i>		
Balance at the beginning of the financial period	12,221,008	10,970,147
Transfer to retained earnings	(10,949,522)	-
Transfer to issued capital on exercise of options	(16,512)	-
Transfer to issued capital on exercise of performance rights	(740,000)	-
Option and performance shares expense	1,476,606	1,250,861
Balance at the end of the financial period	1,991,580	12,221,008
<i>Convertible Note Reserve</i>		
Balance at the beginning of the financial period	117,015	157,728
Conversion of convertible note	-	(153,375)
Issuance of convertible note	-	112,662
Balance at the end of the financial period	117,015	117,015

Notes to the Annual Financial Statements

	Consolidated	
	Dec 2020	Dec 2019 Restated
	\$	\$
16. Retained earnings		
Movements in accumulated losses were as follows:		
Balance at the beginning of the financial year	(73,241,143)	(77,959,064)
Adjustment on change in accounting policy	-	(11,781)
Transfer from other reserves	10,949,522	-
Net (loss)/profit for the year	(2,923,774)	4,729,702
Balance at the end of the financial year	<u>(65,215,395)</u>	<u>(73,241,143)</u>
17. Earnings per share		
Basic and diluted profit/(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:		
	\$	\$
Net loss from continuing operations attributable to ordinary equity holders of the parent	(2,923,774)	(1,616,843)
Net (loss)/profit from continuing and discontinued operations to ordinary equity holders of the parent	(2,923,774)	4,729,702
	No.	No.
The weighted average number of ordinary shares on issue during the financial period used in the calculation of basic loss per share (on a post-consolidation basis)	166,562,420	111,222,721
The weighted average number of ordinary shares on issue during the financial period used in the calculation of diluted loss/(profit) per share (on a post-consolidation basis)	166,562,420	144,905,178

Notes to the Annual Financial Statements

18. Commitments

In order to maintain current rights of tenure to the exploration tenements, the Group is required to meet the minimum expenditure commitments as specified by the relevant Government authorities. These obligations are subject to renegotiations when application for a mining lease is made and at other times. The obligations will be met from normal working capital of the Group. The minimum exploration tenement commitments will be reduced should the Group enter into a joint venture on the tenements or extinguished should the tenement be abandoned should the Group decide that the project is not commercial.

The Group has certain minimum obligations in pursuance of the terms and conditions of mineral tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to all mining tenements, and assuming all applications are granted, the Group will be required to outlay in 2021 approximately \$37,563 (2020: \$89,433). These costs are expected to be fulfilled in the normal course of operations.

19. Related party transactions

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in each of the subsidiaries are disclosed in Note 20.

(b) Transactions with Directors and Key Management Personnel

Details of Director and Key Management Personnel compensation are disclosed in Note 7.

(c) There were no transactions with other related parties.

20. Controlled entities

	Country of Incorporation	Principal Activity	Ownership Interest	
			Dec 2020	Dec 2019
Parent entity				
Big River Gold Ltd	Australia	Mining Investment		
Controlled entities				
Brazil Minerals Pty Ltd	Australia	Mining Investment	100%	100%
Atomico Pty Ltd	Australia	Mining Investment	100%	100%
Cascar Resources Pty Ltd	Australia	Mining Investment	100%	100%
Crusader do Brasil Mineração Ltda	Brazil	Mining and Mineral exploration	100%	100%
Cascar do Brasil Mineração Ltda	Brazil	Mineral exploration	100%	100%
Crusader do Nordeste Mineração Ltda	Brazil	Mineral exploration	100%	100%

Notes to the Annual Financial Statements

21. Segment reporting

For management purposes, the Group is organised into one operating segment, being Gold – exploration and development.

Geographical Information

The Group operates in two geographical areas being Australia (country of domicile) and Brazil.

Dec-2020	Brazil	Australia	Total
	\$	\$	\$
Current assets	186,019	9,882,377	10,068,396
Non-current assets	<u>13,531,040</u>	<u>4,404,164</u>	<u>17,935,204</u>
Total Assets	<u>13,717,059</u>	<u>14,286,541</u>	<u>28,003,600</u>
Current liabilities	125,886	397,113	522,999
Non-current liabilities	<u>1,041,882</u>	<u>-</u>	<u>1,041,882</u>
Total Liabilities	<u>1,167,768</u>	<u>397,113</u>	<u>1,564,881</u>
Net Assets / (Net Liabilities)	<u>12,549,291</u>	<u>13,889,428</u>	<u>26,438,719</u>

Dec-2019	Brazil	Australia	Total
	\$	\$	\$
Current assets	34,382	4,868,619	4,903,001
Non-current assets	<u>20,910,681</u>	<u>48,283</u>	<u>20,958,964</u>
Total Assets	<u>20,945,063</u>	<u>4,916,902</u>	<u>25,861,965</u>
Current liabilities	110,902	475,548	586,450
Non-current liabilities	<u>-</u>	<u>630,488</u>	<u>630,488</u>
Total Liabilities	<u>110,902</u>	<u>1,106,036</u>	<u>1,216,938</u>
Net Assets / (Net Liabilities)	<u>20,834,161</u>	<u>3,810,866</u>	<u>24,645,027</u>

The table below shows the carrying balances of non-current assets per segment as at 31 December 2020.

Dec-2020	Brazil	Australia	Total
	\$	\$	\$
Exploration and expenditure	13,440,719	4,371,454	17,812,173
Right of use asset	-	13,600	13,600
Property, plant and equipment	<u>90,321</u>	<u>19,110</u>	<u>109,431</u>
Total non-current assets	<u>13,531,040</u>	<u>4,404,164</u>	<u>17,935,204</u>

The table below shows the carrying balances of non-current assets per segment as at 31 December 2019.

Dec-2019	Brazil	Australia	Total
	\$	\$	\$
Exploration and expenditure	20,848,286	-	20,848,286
Right of use asset	-	24,936	24,936
Property, plant and equipment	<u>62,395</u>	<u>23,347</u>	<u>85,742</u>
Total non-current assets	<u>20,910,681</u>	<u>48,283</u>	<u>20,958,964</u>

Notes to the Annual Financial Statements

22. 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).
- (3) The 50,000,000 MEI shares were released from escrow and sold on 18 September 2019 for \$2,750,000 (5.5c per share).

Contingent consideration

- (4) \$750,000 of MEI shares 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.
- (5) \$750,000 of MEI shares 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.

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

Notes to the Annual Financial Statements

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

	31 Dec 2020	31 May 2019 Restated *
	\$	\$
Other income	-	-
Depreciation and amortisation	-	(4,641)
Other expenses from ordinary activities	-	(434,638)
Loss before income tax expense and reclassification of foreign currency translation reserve	-	(439,279)
Reclassification of foreign currency translation reserve - Juruená*	-	6,767,215
Income tax expense	-	-
Profit (Loss) after income tax and reclassification of foreign currency reserve	-	6,327,936
Profit on sale of Juruená, after income tax	-	18,609
Profit (Loss) from discontinued operations¹	-	6,346,545
Net cash used in operating activities	-	(253,856)
Net cash from (used for) investing activities	-	-
Net cash from (used for) financing activities	-	-
Net cash (outflow)/inflow from the disposal group	-	(253,856)
Details of the sale of Juruená		
Consideration received or receivable:		
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 profit from discontinued operations of \$6,346,545 is attributable entirely to the owners of the Company.

* See note 2(c) for details regarding the restatement as a result of an error.

Notes to the Annual Financial Statements

23. Notes to the statement of cash flows

	Consolidated	
	Dec 2020 \$	Dec 2019 \$
(a) Reconciliation of cash and cash equivalents		
For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank	<u>9,884,673</u>	<u>4,313,096</u>
(b) Reconciliation of net loss after tax to net cash flows from operating activities		
Net loss	(2,923,774)	4,729,702
Adjustments for:		
Depreciation and amortisation	36,521	38,294
Interest expense on leases	2,257	-
Finance costs	-	78,795
Share-based payments	1,476,606	1,003,021
Disposal of assets	6,083	(15,032)
Recycle of FCTR associated with sale of Juruena	-	(6,767,215)
Unrealised exchange (gains)/losses	(512,707)	(1,400,128)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	92,565	(61,779)
Other current assets	313,617	(199,900)
Increase/(decrease) in liabilities:		
Trade and other payables	(63,451)	(793,572)
Provisions	411,394	(478,751)
Cash generated/(used) in operating activities	<u>(1,160,889)</u>	<u>(3,866,565)</u>

Notes to the Annual Financial Statements

24. Parent Entity

The following table presents the information regarding the parent entity for the year ended 31 December 2020 and the year ended 31 December 2019.

	Dec 2020 \$	Dec 2019 \$
Financial position		
Assets		
Current assets	9,882,357	4,345,783
Non-current assets	16,953,475	20,602,094
Total assets	<u>26,835,832</u>	<u>24,947,877</u>
Liabilities		
Current liabilities	397,113	292,715
Non-current liabilities	-	10,133
Total liabilities	<u>397,113</u>	<u>302,848</u>
Equity		
Issued capital	102,313,258	94,119,344
Retained earnings	(77,983,134)	(81,400,448)
<i>Reserves</i>		
Option premium reserve	1,991,580	11,809,118
Investment revaluation reserve	-	-
Other reserve	117,015	117,016
Total equity	<u>26,438,719</u>	<u>24,645,029</u>
Financial performance		
Profit/(Loss) for the period	(7,216,918)	(1,849,430)
Other comprehensive income	-	-
Total comprehensive income	<u>(7,216,918)</u>	<u>(1,849,430)</u>

Contingent liabilities of the parent entity

Other than as disclosed at Note 27, the Parent entity is not aware of any other contingent liabilities at the date of this report (2019: nil).

25. Non-cash transactions

During the year, the Group did not enter into any non-cash financing or investing transactions other than as disclosed elsewhere in the financial report.

Notes to the Annual Financial Statements

26. Subsequent events

On 5 February 2021 the Company issued the following securities, pursuant to shareholder approval at a general meeting of shareholders held on 28 January 2021:

- 239,665,315 shares at \$0.05 each raising \$11,983,266 (before costs) as part of a placement to raise \$20.4 million as announced on 7 December 2020;
- 24,480,000 Options exercisable at \$0.06 each (expiring 4 February 2024) as part consideration for the provision of joint lead manager services for the Placement to Joint Lead Managers (Dundee Goodman Merchant Partners, Jett Capital Advisors LLC and Petra Capital);
- 2,352,951 shares each to Mr John Evans, Mr John Cathcart and Mr Beau Nicholls as consideration for services provided to the Company as Non-Executive Directors during the year ended 31 December 2020.

On 8 February 2021 Dundee Goodman Merchant Partners (Dundee) increased its shareholding in the Company to 19.4% through an off-market transaction with the Copulos Group reducing their shareholding to 18.7%.

On 25 February 2021 the issued capital of the Company was consolidated on an 8 for 1 basis, as announced on 29 December 2020 and approved at the general meeting of shareholders held on 28 January 2021.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the entity in subsequent financial years.

27. Contingent assets and liabilities

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

DIRECTORS' DECLARATION

1. 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;
 - (b) in the Directors' opinion the attached Financial Statements and Notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated entity;
 - (c) in the Directors' opinion, the Financial Statements and Notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 2(a); and
 - (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001(Cth).

On behalf of the Directors



Andrew Richards
Executive Chairman
Perth
31 March 2021

Independent Auditor's Report to the members of Big River Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Big River Gold Limited (the "Company") and its subsidiaries (the "Group") which comprises consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Indicators of impairment for Exploration and Evaluation Assets</p> <p>As at 31 December 2020 the carrying value of exploration and evaluation assets as disclosed in Note 11 amount to \$17,812,173. The Group accounting policy in respect of exploration and evaluation assets is disclosed in Note 1(q).</p> <p>Significant judgement is required by management in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment at balance date.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Confirming whether the rights to tenure of the area of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; • Assessing the status of ongoing exploration programmes, as well as assessing if there was evidence that a decision had been made to discontinue activities for the area of interest, including reviewing future budgeted expenditures and related work programmes; and • Evaluating whether exploration activities for the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed. <p>We also assessed the appropriateness of the disclosures in Note 11 to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

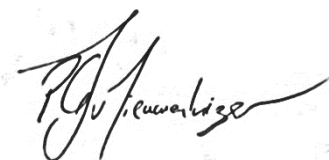
We have audited the Remuneration Report included on pages 16 to 24 of the Directors' Report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Big River Gold Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


DELOITTE TOUCHE TOHMATSU



Pieter Janse van Nieuwenhuizen
Partner
Chartered Accountants
Perth, 31 March 2021

31 March 2021

The Board of Directors
Big River Gold Limited
Level 22, 221 St Georges Terrace
Perth WA 6000
Australia

Dear Board Members

Auditor's Independence Declaration to 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.

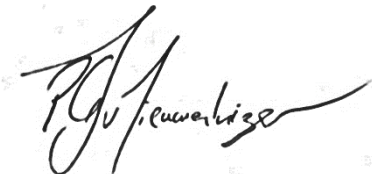
As lead audit partner for the audit of the financial report of Big River Gold Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Pieter Janse van Nieuwenhuizen
Partner
Chartered Accountants

ADDITIONAL ASX INFORMATION

The additional information dated 26 March 2021 is required by the ASX Limited Listing Rules and is not disclosed elsewhere in this report.

Distribution of Shareholders

	Numbers	Percentage
1 - 1,000	107	0.01%
1,001 – 5,000	405	0.56%
5,001 – 10,000	229	0.77%
10,001 – 100,000	502	6.77%
100,001 and over	123	91.89%
TOTAL	1,366	100.00%

There were 119 holders of less than marketable parcel of ordinary shares.

Twenty Largest Shareholders

Shareholder	Number of Shares	Percentage
CITICORP NOMINEES PTY LIMITED	49,873,687	22.74%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,501,047	16.19%
EYEON INVESTMENTS PTY LTD <EYEON INVESTMENTS FAMILY A/C>	15,522,071	7.08%
COPULOS SUPERANNUATION PTY LTD <COPULOS PROVIDENT FUND A/C>	11,381,250	5.19%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	11,275,288	5.14%
WESTPARK OPERATIONS PTY LTD <WESTPARK OPERATIONS UNIT A/C>	9,050,000	4.13%
SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	7,491,262	3.42%
SPACETIME PTY LTD <COPULOS EXEC S/F NO 1 A/C>	5,442,990	2.48%
FARJOY PTY LTD	3,774,668	1.72%
CHRIKIM PTY LTD <GEOFFREY WRIGHT INCOME A/C>	2,786,833	1.27%
KAOS INVESTMENTS PTY LIMITED	2,520,425	1.15%
GUTHRIE CAD/GIS SOFTWARE PTY LTD	2,200,000	1.00%
MR ANDREW LEHANE RICHARDS & MRS KERRY SUZANNE RICHARDS <ANKEMALA SUPER FUND A/C>	1,875,000	0.85%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,850,003	0.84%
CONSTANTINOU EQUITIES PTY LTD <CONSTANTINOU EQUITIES A/C>	1,812,500	0.83%
SHAYDEN NOMINEES PTY LTD	1,718,421	0.78%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,386,971	0.63%
GUTHRIE CAD/GIS SOFTWARE PTY LTD <GUTHRIE SUPER FUND A/C>	1,250,000	0.57%
TB HOLDINGS AUSTRALIA PTY LTD	1,207,291	0.55%
MABRA PTY LTD	1,204,455	0.55%
TOTAL	169,124,162	77.11%

Substantial Shareholders

Shareholder	Number of Shares
Dundee Corporation	42,500,000
Copulos Group	41,062,073
SG Hiscock & Company	16,961,882

Quoted Options - ASX Code: BRVO (exercisable at \$0.16, expiring 30 June 2022)

	Holders	Percentage
1 - 1,000	69	0.12%
1,001 – 5,000	40	0.45%
5,001 – 10,000	20	0.68%
10,001 – 100,000	92	13.98%
100,001 and over	26	84.77%
TOTAL	247	100.00%

There were 86 holders of less than marketable parcel of Options.

Twenty Largest Holders

Holder	Number of Options	Percentage
COPULOS SUPERANNUATION PTY LTD <COPULOS PROVIDENT FUND A/C>	4,979,167	22.54%
SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	3,437,500	15.56%
EYEON INVESTMENTS PTY LTD <EYEON INVESTMENTS FAMILY A/C>	2,906,371	13.15%
SPACETIME PTY LTD <COPULOS EXEC S/F NO 1 A/C>	1,145,834	5.19%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	900,121	4.07%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	800,533	3.62%
CHRIKIM PTY LTD <GEOFFREY WRIGHT INCOME A/C>	570,828	2.58%
SHAYDEN NOMINEES PTY LTD	444,445	2.01%
FIVE TALENTS LIMITED	423,125	1.92%
MR DANIEL AARON HYLTON TUCKETT	353,752	1.60%
MR MICHAEL DAMIAN	258,391	1.17%
MR ANTHONY JOHN VETTER & MRS JEANNETTE VETTER	225,000	1.02%
MR MICHAEL YUXUN KUANG	212,500	0.96%
MR CLEMENT FREDERICK DEVINE	212,500	0.96%
TB HOLDINGS AUSTRALIA PTY LTD	208,334	0.94%
MABRA PTY LTD	208,334	0.94%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	205,216	0.93%
CITICORP NOMINEES PTY LIMITED	195,089	0.88%
RIVERVIEW CORPORATION PTY LTD	162,959	0.74%
MR GIJSBERTUS KOMMER	156,250	0.71%
TOTAL	18,006,249	81.50%

Unquoted Options

At 26 March 2020, the following unquoted options were on issue:

Grant Date	Number on Issue	Exercise Price	Expiry Date	No. of Holders
28 January 2021	3,060,000	\$0.48	4 February 2024	3

Unquoted Option holdings greater than 20% in any class

Option Holder	Exercise Price	Expiry Date	Number
CIRCUMFERENCE CAPITAL CT PTY	\$0.48	4 February 2024	1,020,000
GOODMAN & COMPANY INVESTMENT COUNSEL INC	\$0.48	4 February 2024	1,020,000
JETT CAPITAL ADVISORS HOLDINGS LLC	\$0.48	4 February 2024	1,020,000

Voting Rights

The voting rights attaching to each class of securities are set out below:

- a) Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each shares shall have one vote.
- b) Options: No voting rights

On-market buy back

There is currently no on-market buy back program for any of the Company's securities.

Stock Exchange Listing

Big River Gold Limited's ordinary shares are quoted on ASX Limited. The home exchange is Perth.

Schedule of Mining Tenements

Location	Description	Ownership
Borborema	805.049/1977	100%
Borborema	840.149/1980	100%
Borborema	840.152/1980	100%
Borborema	948.262/2014	100%
Mara Rosa	860.957/2012	100%
Mara Rosa	860.958/2012	100%
Mara Rosa	860.959/2012	100%
Seridó	846.158/2011	100%
Seridó	846.227/2011	100%
Seridó	846.502/2011	100%
Seridó	846.503/2011	100%
Seridó	846.504/2011	100%
Seridó	846.505/2011	100%
Seridó	848.011/2015	100%
Seridó	846.130/2012	100%
Seridó	846.131/2012	100%
Seridó	846.313/2012	100%
Seridó	846.316/2012	100%
Seridó	846.506/2011	100%
Seridó	846.604/2011	100%
Seridó	846.635/2011	100%
Seridó	846.637/2011	100%
Seridó	846.638/2011	100%
Seridó	846.639/2011	100%
Seridó	846.640/2011	100%
Seridó	846.643/2011	100%
Seridó	846.644/2011	100%
Seridó	846.651/2011	100%
Seridó	846.654/2011	100%
Seridó	848.281/2014	100%
Seridó	848.055/2015	100%

Location	Description	Ownership
Seridó	848.208/2016	100%
Seridó	848.093/2013	100%
Seridó	848.007/2015	100%
Seridó	846.124/2018	100%
Seridó	848.029/2019	100%