



Besra Gold Inc (ARBN 141 335 686)

Prospectus

For an offer of between 50,000,000 and 62,500,000 fully paid CHESS Depositary Interests (**CDIs**) over equivalent common shares (**Shares**) in the capital of Besra Gold Inc, a company existing under the federal laws of Canada (**Company**) (ie, a ratio of one (1) CDI for one (1) Share) at a price of \$0.20 per CDI, to raise a minimum of \$10 million and up to \$12.5 million (before costs and expenses) (**Public Offer**).

This Prospectus also contains an offer of a total of 69,844,631 CDIs to unsecured convertible noteholders (**Noteholder Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered under this Prospectus should be considered speculative.

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Important Information

Offer

The Public Offer contained in this Prospectus is an invitation to acquire CHESS Depositary Interests (**CDIs**) over fully paid common shares in Besra Gold Inc (Canada company incorporation number 659785-8) (ARBN 141 335 686) (**Besra** or the **Company**) (**Shares**). This Prospectus also contains an offer of a total of 69,844,631 CDIs to unsecured convertible noteholders (the **Noteholder Offer**). This Prospectus is issued by the Company.

Each CDI will represent one underlying Share. The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the Shares on ASX and settle transactions through CHESS. Note that in this Prospectus, the terms “Shares” and “CDIs” may be used interchangeably, except where the context requires otherwise.

See Sections 9.1 and 9.2 for more information on the rights attaching to Shares and rights of CDIs Holders.

Lodgement and Listing

This Prospectus is dated 8 July 2021 and a copy of this Prospectus was lodged with ASIC on that date. This Prospectus is a replacement prospectus which replaces the prospectus dated 22 April 2021 (**Original Prospectus**) and lodged with ASIC on that date (**Original Prospectus Date**). The Company has made certain additional disclosures in this Prospectus in relation to:

- the impacts of any potential forfeiture of Mining Leases which encroach on the Dered Krian National Park on the Bau Gold Project's global Resource, and the Company's assessment of the risk of such forfeiture occurring, as set out in Sections 1.4, 3.8(b), 7.2(b) and 7.3(d);
- clarification of the reasons for the Company not relying on or restating historical Ore Reserves reported in the Feasibility Study, as set out in Section 3.10;
- amendments to the timetable to the Offer as a result of the delay between the lodgement of the Original Prospectus and this Prospectus, and an explanation of the reasons for that delay as set out in Section 2.7(d);
- disclosure regarding a proposed further meeting of Unsecured Noteholders to extend the time for a restructure of the Notes, and certain risks related thereto, as a consequence of that delay as set out in Section 2.7(d);
- amendments to reflect extensions negotiated with respect to the date for payment and repayment under the Swap Agreements in Sections 8.6(a) and 8.6(b), under the Company's loan agreements as set out in Sections 8.6(c), 9.7(c) and 9.7(d) and under the supplier settlement agreements as set out in Section 8.9;
- amendments to the number of Lead Manager Options to be issued to Canaccord, and various consequential amendments in references to the capital structure throughout the Prospectus, including in Section 2.9 and in the fees payable under the Lead Manager mandate as set out in Section 8.1(a); and
- disclosure required for this Prospectus to serve as a “refresh document” as defined in section 724(3H) of the Corporations Act (as notionally inserted by ASIC Corporations (Minimum Subscription and Quotation Conditions

Instrument 2016/70) to refresh the condition for quotation of the CDIs within three months of lodgement of the Original Prospectus (such disclosure is set out in Section 2.20).

The lodgement of a replacement prospectus required certain references to the date of the Prospectus to be amended to refer to the date of the Original Prospectus.

ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus nor the merits of the investment to which this Prospectus relates.

The Company has applied to ASX for the admission of the Company to the Official List and quotation of its CDIs on the ASX (**Listing**) with the proposed ASX code "BEZ". The fact that ASX may list the CDIs of the Company is not to be taken in any way as an indication of the merits of the Company or of the listed CDIs. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form for the relevant Offer, which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Lead Manager or any other person in connection with this Prospectus. You should rely only on information contained in this Prospectus.

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before

receiving their holding statement or allotment confirmation notice.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offers in the seven day period after lodgement of the Original Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

Expiry Date

The expiry date of the Prospectus is 13 months after the Original Prospectus Date (**Expiry Date**). No Securities will be allotted, issued or transferred on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your

stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 7. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Obtaining a copy of this Prospectus

A hard copy of the Prospectus is available free of charge during the offer periods to any eligible person in Australia by calling Canaccord Genuity (Australia) Limited, the Lead Manager, on +61 3 8688 9100 between 8.30am and 5.30pm (AEST), Monday to Friday.

A copy of this Prospectus can be downloaded from the website of the Company at <https://besraoffer.thereachagency.com>. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

By making an Application, you declare that you were given access to the Prospectus, together with the relevant Application Form.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this

Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to persons to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus observe any restrictions. This Prospectus may be distributed in the United States only to Approved US Investors and only if it is accompanied by the US Offering Circular. The CDIs have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. See Section 2.17 for more information.

Taxation

The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of

acquiring CDIs from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors, Officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for CDIs under this Prospectus. You should consult your own professional tax advisers in regard to taxation implications of the Offers.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

Privacy statement

The Company collects information about Security holders when they apply for Securities under the Offers for the purposes of processing their Application and, if the Application is successful, to administer their security holding in the Company.

By applying for Securities, each security holder agrees that the Company may use the information provided for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Lead Manager, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Corporations Act requires the Company to include information about a Security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Security holder of the Company.

Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports, management information circulars and other information that the Company is required to, may wish to, communicate to its Security holders) and compliance by the Company with legal and regulatory requirements. The Company's agents and service providers may be located outside Australia where personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right to gain access to the information that the Company holds about them subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

Forward-looking statements

This Prospectus contains forward looking statements, including as to the Company's strategy, mineral exploration and drilling activities and related funding, which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, may reasonably be expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-

looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7. Past performance should not be relied upon as being indicative of future performance.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Regulation of the Company

As the Company is not established in Australia, its general corporate activities (apart from offering Securities in Australia, such as under the Offers) are not regulated by the Corporations Act or by ASIC, but are instead governed by the *Canada Business Corporations Act (CBCA)* and other applicable Canadian laws. See Section 9.4 for more information.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$"

are references to Australian dollars, all references to "US\$" are references to United States dollars and all references to "C\$" are references to Canadian dollars.

Time

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Financial information presentation

Historical financial information, including the pro forma financial information, has been prepared and presented in accordance with the recognition and measurement principles prescribed by International Financial Reporting Standard (IFRS) which are consistent with the Australian Accounting Standards (as adopted by the Australian Accounting Standards Board (AASB)). The historical financial information also complies with the Australian equivalents to the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Competent Person's Statement

See Section 9.23 for statements by Competent Persons under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Defined terms and interpretation

Defined terms and abbreviations used in this Prospectus are explained in the glossary in Section 11. A reference to a Section is a reference to a Section in this Prospectus.

Further information

If you have any questions in relation to the Public Offer, contact Canaccord Genuity (Australia) Limited, the Lead Manager, on +61 3 8688 9100 between 8.30am and 5.30pm (AEST), Monday to Friday.

This document is important and
should be read in its entirety.

Key Offer Information and Indicative Timetable

Key Offer Information

The Offers ¹	Minimum Subscription	Maximum Subscription
Offer Price per CDI	\$0.20	\$0.20
Ratio of CDIs per Shares	1 for 1	1 for 1
Shares/CDIs		
Shares on issue as at the Prospectus Date	4,818,622	4,818,622
CDIs to be issued to the Secured Creditors under the Restructure ²	83,942,611	83,942,611
CDIs to be issued to Pre-IPO Investors under the Restructure ³	52,274,000	52,274,000
CDIs to be issued under the Noteholder Offer under the Restructure ⁴	69,844,631	69,844,631
CDIs to be issued to Gladioli under the SPSA Variation ⁵	12,500,000	12,500,000
CDIs to be issued to Pangaea under the SPSA Variation ⁵	20,000,000	20,000,000
CDIs to be issued to settle trade creditors ⁶	532,457	532,457
CDIs to be issued under the Public Offer	50,000,000	62,500,000
Total number of Shares and CDIs on issue at Listing	293,912,321	306,412,321
Options		
Lead Manager Options ⁷ - Canaccord	2,990,385	4,528,846
Broker Options ⁷ - Boustead	1,625,000	1,625,000
Class A Incentive Options ⁸	3,625,000	3,625,000
Class B Incentive Options ⁸	3,625,000	3,625,000
Bonus Options ⁹	2,500,000	2,500,000
Total number of Options on issue at Listing	14,365,385	15,909,846
Performance Rights¹⁰		
Class A Performance Rights ¹⁰	2,600,000	2,600,000

The Offers ¹	Minimum Subscription	Maximum Subscription
Class B Performance Rights ¹⁰	3,650,000	3,650,000
Total number of Performance Rights on issue at Listing	6,250,000	6,250,000
Warrants		
Warrants on issue to Forest Nominees ¹¹	1,776,440	1,776,440
Total number of Warrants on issue at Listing	1,776,440	1,776,440
Key Offer Metrics		
Fully diluted number of securities on issue at completion of the Offers	316,304,146	330,348,607
Gross proceeds of the Public Offer (before costs and expenses)	\$10.0 million	\$12.5 million
Indicative market capitalisation at the Offer Price ¹²	\$58.8 million	\$61.3 million

Notes:

1. See Section 2 for details of the Offers.
2. See Section 2.7(a) for more information on CDIs to be issued to the Secured Creditors under the Restructure.
3. See Section 2.7(b) for more information on CDIs to be issued to the Pre-IPO Investors under the Restructure.
4. See Section 2.7(d) for more information on CDIs to be issued under the Noteholder Offer under the Restructure.
5. See Section 2.8 for more information on CDIs to be issued to Gladioli and Pangaea.
6. See Section 2.7(c) for more information.
7. See Attachment D for more information on the Lead Manager Options and Broker Options.
8. See Attachment B for more information on the Class A and Class B Incentive Options.
9. See Attachment C for more information on the Bonus Options.
10. See Attachment E for more information on the Performance Rights.
11. Warrants on issue to Forest Nominees, a Pre-IPO investor, exercisable at \$0.12 per Share and expiring on 31 July 2021. The full terms of these warrants are set out in Attachment F.
12. The market capitalisation is calculated based on the Offer Price multiplied by the number of Shares or CDIs on issue after the Offers. There is no guarantee that the CDIs will trade at the Offer Price upon Listing.

Indicative Timetable

Event	Date ¹
Lodgement of the Original Prospectus with ASIC	22 April 2021
Lodgement of this Prospectus with ASIC	8 July 2021
Opening Date of the Offers	12 July 2021
Closing Date of the Offers (7.00pm AEST)	26 August 2021
Settlement date of the Offers	2 September 2021
Issue of Securities under this Prospectus	3 September 2021
Despatch of holding statements and allotment confirmation notices	6 September 2021
Expected date for Shares/CDIs to commence trading on the ASX	7 September 2021

Notes:

1. *This timetable is indicative only. Unless otherwise indicated, all times given are Eastern Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offers early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offers, in each case without notifying any recipient of this Prospectus or Applicants). If an Offer is cancelled or withdrawn before the allocation of CDIs, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offers open.*

Letter from the Chair

Dear Investor,

On behalf of the Directors, I am delighted to offer you the opportunity to become a Security holder in, and participate in the rebirth of, Besra Gold Inc (**Besra** or the **Company**).

On completion of the Offers (as defined herein), Besra will control, directly or indirectly, a 97.8% interest (92.8% on an equity-adjusted basis) in contiguous mineral concessions known as the Bau Gold Project in Sarawak, Malaysia.

Besra has developed the Bau Gold Project for some 12 years. The project comprises mining and exploration concessions and applications covering more than 1,340km² of highly prospective ground within the Bau goldfield. Besra has delineated over 3 million ounces of gold Mineral Resources in the Bau district and expended over \$40 million in developing the properties.

The Public Offer is intended to raise a minimum of \$10 million and up to \$12.5 million through the issue of between 50 million and 62.5 million CHES Depositary Interests (**CDIs**) at an Offer Price of \$0.20 per CDI. Each CDI represents an interest in one common share of Besra. Proceeds from the Public Offer will be applied to Resource definition drilling at the Pejiru and Jugan project areas aimed at growing the Mineral Resource of Bau quickly, exploration studies and drilling across the Bau district, mine planning and optimisation, metallurgical and process design studies including pilot plant and general working capital.

Besra's return to the public capital markets will be guided and driven by a new Board of Directors and management team. Dr. Ray Shaw will commence as the Chief Executive Officer of Besra at Listing. Ray is a geologist with a B. Sc (Hon) and Ph.D who has been working on the Bau Gold Project for the past two years in anticipation of Besra's rebirth. Joining the Board is Mr. Paul Ingram - a geologist and experienced listed public company director who worked on the Bau Project in the 2000s. Complementing Mr Ingram's experience will be Mr. Rob Dunne - a highly experienced metallurgist and process engineer with extensive experience with refractory ores and developing and operating gold processing facilities, including the globally significant Carlin mineralisation belt in Nevada USA. Underpinning Besra's North American financial expertise on the Board is Mr. Mark Eaton – a highly accomplished capital markets specialist, previously Managing Director of Global Mining Sales and US Equity Sales for CIBC World Markets before managing a number of listed public companies in recent years.

This Prospectus contains detailed information about the Offers, the industry in which the Company and its business operates, the Company's growth strategy, and its financial and operating performance. It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company. I draw your attention to the key risks associated with an investment in the Company that are set out in Section 7 of this Prospectus which include, among other things, risks associated with the status, grant or renewal of underlying mining title in Sarawak, Malaysia, commodity price and currency risks, exploration and development risks, the risks posed to businesses from the challenges of the COVID-19 and other risks entailed with operations in a foreign jurisdiction. You should also note that Besra is a corporation existing under the federal laws of Canada and is primarily regulated under the Canada Business Corporations Act, which differ in important respects to the Corporations Act.

At completion of the Offers, Besra will be well funded to execute its business plan at Bau through a highly qualified technical team with direct project experience at Bau and in Malaysia.

In light of the above, I commend this investment opportunity to you and on behalf of the Board of Directors look forward to welcoming you to the rebirth of Besra Gold Inc.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andrew Worland', is positioned above the typed name.

Andrew Worland
Chair
Besra Gold Inc

1 Investment Overview

This Section 1 is a summary only and is not intended to provide full information for investors intending to apply for any Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends nor can any guarantee be given about the future value of the Securities.

1.1 Company, strategy and business model

Item	Summary	Further information
Who is the issuer of this Prospectus?	Besra Gold Inc. (ARBN 141 335 686) (Besra or the Company), a company existing under the federal laws of Canada.	Section 3.1
What is the Company and what does it do?	Besra is a gold mining company focused on exploration and development of the Bau Gold Project in Sarawak, East Malaysia. Besra currently controls, directly and indirectly, a 92.0% interest (87.1% on an equity-adjusted basis) in the Bau Gold Project. This will increase to a 97.8% interest (92.8% on an equity-adjusted basis) following completion of the SPSA Variation with Gladioli Enterprises Sdn Bhd (Gladioli), Besra's Joint Venture partner, and Pangaea upon Conditional Admission, as set out in Section 3.4. Following Listing, Besra intends to undertake its business strategy by implementing its work program in order to advance its interests in the Bau Gold Project.	Section 3
What and where is the Bau Gold Project?	Besra's mining interests are located within four areas within Sarawak, East Malaysia. Blocks A and B together encompass the Bau Gold Project, an area of approximately 1,340km², which contains multiple brownfield exploration projects, and hosts a combined JORC Code 2012 Resource of 72.6Mt at 1.43g/t Au for 3.3 Moz of gold as well as an Exploration Target ranging between 4.9 and 9.3Moz (on a 100% basis). Block C (Serian) and Rawan represent greenfield exploration areas. Following Listing, implementation of Besra's business strategy will be focused on Blocks A and B of the Bau Gold Project.	Sections 3.3 and 3.6
Does Besra have a local partner?	Yes. Besra currently controls, directly and indirectly, a 92.0% interest in the Bau Gold Project (87.1% on an equity-adjusted basis) through its majority-owned subsidiary, North Borneo Gold Sdn Bhd (NBG), a Malaysian-incorporated company. The balance of NBG shares are held by its Joint Venture partner, Gladioli, as described in Section 3.3. Certain of the Gladioli Companies are currently the registered holders of the key Permits comprising the Bau Gold Project, which Besra is entitled to have transferred to it, at its request, subject to any necessary regulatory approvals, under the terms of agreements governing the Joint Venture. At Conditional Admission and on the completion of the SPSA Variation, Besra's direct and indirect controlling interest in NBG will increase to 97.8% (92.8% on an equity-adjusted basis).	Sections 3 and Attachment G

Item	Summary	Further information
What is the Company's strategy and business model?	Besra's business strategy is to enhance Shareholder value by optimising the development opportunities of the Bau Gold Project, through stand-alone development, new joint venture and/or third party participation. This will be undertaken by implementing a work program following Listing which will focus on the following key areas: • Resource delineation; • metallurgical studies; • processing stream studies; • upgrading feasibility studies; and • regulatory compliance management.	Section 3
What are the key dependencies of the Company's business model?	No assurance can be given that the Company will achieve commercial viability through the implementation of its business strategy, which assumes several key dependencies, which include: • maintaining and/or acquiring renewals or applications of title to Permits; • securing and maintaining all necessary consents and approvals, including environmental approvals, required to carry out proposed work program activities; • obtaining positive outcomes for each of the key areas of the work program, including positive feasibility study outcomes supporting commercially viable development scenarios; • successful exploration resulting in significant increases in Resource inventory; • favourable commodity prices and positive investor sentiment; and • availability of adequate future equity or capital funding on commercially acceptable terms.	Section 7.2
Are any licences required before the Company can undertake its exploration program?	The business strategy work program will be focused on four existing granted Mining Leases (ML 134, ML 140, ML 143, and ML 01/2013/1D) within the Project's Blocks A and B, as well as within the Pejiru sector of MC KD/01/1994 where it is possible to continue working whilst a renewal determination is pending. The Minerals Ordinance provides that mining activities can be undertaken on a granted Mining Lease. Such activities are subject to approvals of specific mining projects before commencement. The reporting and approvals compliance requirements are outlined in the Solicitor's Report in Attachment G. These focus on natural resources and environmental ordinance regulations, foreign ownership, heritage and native customary.	Section 7.2 and Attachment G
Are forestry or environmental permits required?	Environmental approvals would be sought, as necessary, through the preparation of relevant natural resources and environmental ordinance regulated reports.	Attachment G

Item	Summary	Further information
Is there any State participation?	No, there are no State participation arrangements. However, Besra's local subsidiary company, NBG is required under Malaysian law to have a certain level of Bumipatra shareholder participation which is achieved through the involvement of Gladioli.	Attachment G
Will any local people need to be resettled?	No local people will need to be resettled as a result of Besra's current pre-development activities. Besra has a history of operating within the area and the Bau township has a long historical relationship with local mining activities, which have been a significant source of employment and regional wealth creation.	Sections 3 and Attachment G
What laws apply to the Company?	Besra is a Canadian company and is subject to the federal laws of Canada. Canadian law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Besra, the relevant statute is the CBCA. As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of Securities in Australia, such as under the Offers) are not regulated by the Corporations Act or by ASIC but instead are regulated by the CBCA and other applicable Canadian laws. See Section 9.4 for a comparison of laws governing the Company as a Canadian incorporated company with the laws governing Australian publicly listed companies generally. See Attachment G for those laws of Malaysia and Sarawak which apply to Besra's mining interests.	Sections 3.2 and 9.4
Why did Besra not relist in Canada?	Given the Board's view of the significance of the Bau Gold Project and its location in Asia, it was considered that the ASX is the preferred stock exchange to list Besra given the prominence of the Australian gold sector and that sector's interests within Asia.	N/A

1.2 Significant interests of key people and related parties

Item	Summary	Further information
Who are the Directors of the Company?	The composition of the Board as at the Prospectus Date is: • Andrew Worland – Non-Executive Chairman; • Jon Morda – Non-Executive Director (Audit and Risk Management Committee Chair); • Mark Eaton – Non-Executive Director; • Paul Ingram – Non-Executive Director; and • John Seton – Executive Director. The Company proposes to appoint Mr Robert Dunne to the Board as Non-Executive Director upon Conditional Admission (Proposed Director). See Section 6.1 for the biographies of the Directors and the Proposed Director.	Section 6.1

Item	Summary	Further information																																																	
Who are the Senior Management of the Company?	The Senior Management at Listing will comprise: • Dr Ray Shaw – CEO; • Eryn Kestel – CFO and Company Secretary; and • Kevin Wright – Bau Gold Project Manager. See Section 6.2 for the biographies of the Senior Management of the Company.	Section 6.2																																																	
What are the current relevant interests of the Directors and what is their proposed participation in the Offers?	Details of the relevant interests of the Directors in the Securities of the Company at the Prospectus Date are: • Jon Morda – 6,038 Shares; • Mark Eaton – 4 Shares; and • John Seton – 90,487 Shares. Other than as set out above, as at the Prospectus Date, there are no other Securities in the Company on issue to the Directors. Mr Worland has indicated his desire to participate in the Public Offer by subscribing for up to a maximum of 250,000 CDIs. Mr Eaton has indicated his desire to participate in the Public Offer by subscribing for up to a maximum of 200,000 CDIs. No other Director or Proposed Director intends to participate in the Public Offer.	Sections 9.5 and 9.6																																																	
What are the expected relevant interests of the Directors in Securities of the Company at Listing?	The Directors' relevant interests in Securities in the Company following completion of the Offers (assuming participation in the Public Offer by Andrew Worland and Mark Eaton as set out above) is set out in the table below: <table><tr><th>Person</th><th>CDIs / Shares</th><th>Class A Incentive Options</th><th>Class B Incentive Options</th><th>Bonus Options</th><th>Class A Performance Rights</th><th>Class B Performance Rights</th></tr><tr><td>Andrew Worland</td><td>250,000</td><td>750,000</td><td>750,000</td><td>500,000</td><td>Nil</td><td>Nil</td></tr><tr><td>Jon Morda¹</td><td>141,636</td><td>625,000</td><td>625,000</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Mark Eaton</td><td>200,000</td><td>500,000</td><td>500,000</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Paul Ingram</td><td>Nil</td><td>500,000</td><td>500,000</td><td>500,000</td><td>Nil</td><td>Nil</td></tr><tr><td>Rob Dunne</td><td>Nil</td><td>250,000</td><td>250,000</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>John Seton¹</td><td>625,772</td><td>500,000</td><td>500,000</td><td>500,000</td><td>600,000</td><td>900,000</td></tr></table> Notes:	Person	CDIs / Shares	Class A Incentive Options	Class B Incentive Options	Bonus Options	Class A Performance Rights	Class B Performance Rights	Andrew Worland	250,000	750,000	750,000	500,000	Nil	Nil	Jon Morda ¹	141,636	625,000	625,000	Nil	Nil	Nil	Mark Eaton	200,000	500,000	500,000	Nil	Nil	Nil	Paul Ingram	Nil	500,000	500,000	500,000	Nil	Nil	Rob Dunne	Nil	250,000	250,000	Nil	Nil	Nil	John Seton ¹	625,772	500,000	500,000	500,000	600,000	900,000	Sections 9.6 and 9.8
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Item	Summary	Further information									
	1. This reflects an increase in the number of CDIs / Shares to be issued to related entities pursuant to the Noteholder Offer.										
What are the remuneration arrangements and benefits of the Directors and Senior Management?	Directors and Senior Management are entitled to remuneration and fees on commercial terms as detailed in Section 6.3 and are entitled to participate in the Equity Incentive Plan as summarised in Section 9.3. In addition, the Company has entered into deeds of access, insurance and indemnity with each of the Directors, the Proposed Director, Dr Ray Shaw and Ms Eryn Kestel.	Sections 6.3 8.8 and 9.3									
Who are the substantial Security holders of the Company?	As at the Prospectus Date, Concept Capital Management Ltd is the only Security holder with a relevant interest in 5% or more of the total Securities on issue. As at the Prospectus Date, Concept Capital Management Ltd has a relevant interest of approximately 17.4%. On completion of the Offers, the following persons are expected to have a relevant interest in 5% or more of the total Securities on issue (assuming the Minimum Subscription): <table border="1"> <thead> <tr> <th>CDI Holder</th><th>Number of CDIs held</th><th>% of Shares / CDIs</th></tr> </thead> <tbody> <tr> <td>Pangaea¹</td><td>69,951,628</td><td>23.8</td></tr> <tr> <td>Concept Capital Management Ltd²</td><td>21,201,593</td><td>7.2</td></tr> </tbody> </table> Notes: 1. Pangaea is a special purpose vehicle formed for the clients of Jocelyn Bennett, a Swiss fiduciary, to invest in Besra. 2. Concept Capital Management Ltd is an institutional investor with a focus on natural resources.	CDI Holder	Number of CDIs held	% of Shares / CDIs	Pangaea ¹	69,951,628	23.8	Concept Capital Management Ltd ²	21,201,593	7.2	Section 9.11
CDI Holder	Number of CDIs held	% of Shares / CDIs									
Pangaea ¹	69,951,628	23.8									
Concept Capital Management Ltd ²	21,201,593	7.2									

1.3 Financial

Item	Summary	Further information																																																																																				
What has been the historical financial performance of the Company?	The table below presents the summary audited historical consolidated statement of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020 and reviewed historical consolidated statement of profit and loss and other comprehensive income for 1HFY2021 (with 1HFY2020 comparative information). Further discussion regarding the summarised historical statement of profit and loss and other comprehensive income are set out in Section 4.	Sections 4 and 5																																																																																				
	<table><tr><th></th><th>Audited</th><th>Audited</th><th>Audited</th><th>Reviewed</th><th>Reviewed</th></tr><tr><th></th><th>Year ended 30 June 2018</th><th>Year ended 30 June 2019</th><th>Year ended 30 June 2020</th><th>Six months ended 31 December 2020</th><th>Six months ended 31 December 2019</th></tr><tr><th>US\$'000</th><th></th><th></th><th></th><th></th><th></th></tr><tr><td>Revenue</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Corporate and administrative expenses</td><td>(1,217)</td><td>(1,737)</td><td>(780)</td><td>(1,584)</td><td>(706)</td></tr><tr><td>Exploration expense</td><td>(3)</td><td>(105)</td><td>(238)</td><td>114</td><td>-</td></tr><tr><td>Depreciation and amortisation</td><td>(20)</td><td>(22)</td><td>(15)</td><td>(11)</td><td>(11)</td></tr><tr><td>Impairment charges</td><td>-</td><td>(33,270)</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Derivative fair value revaluation</td><td>192</td><td>6,795</td><td>(442)</td><td>(728)</td><td>(26)</td></tr><tr><td>Finance charges</td><td>160</td><td>(1,500)</td><td>(64)</td><td>(111)</td><td>-</td></tr><tr><td>Loss before income tax</td><td>(888)</td><td>(29,839)</td><td>(1,539)</td><td>(2,320)</td><td>(743)</td></tr><tr><td>Income tax recovery</td><td>266</td><td>7,338</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Other comprehensive loss net of tax</td><td>(622)</td><td>(22,500)</td><td>(1,539)</td><td>(2,320)</td><td>(743)</td></tr><tr><td>Total Comprehensive Loss</td><td>(622)</td><td>(22,500)</td><td>(1,539)</td><td>(2,320)</td><td>(743)</td></tr></table>			Audited	Audited	Audited	Reviewed	Reviewed		Year ended 30 June 2018	Year ended 30 June 2019	Year ended 30 June 2020	Six months ended 31 December 2020	Six months ended 31 December 2019	US\$'000						Revenue	-	-	-	-	-	Corporate and administrative expenses	(1,217)	(1,737)	(780)	(1,584)	(706)	Exploration expense	(3)	(105)	(238)	114	-	Depreciation and amortisation	(20)	(22)	(15)	(11)	(11)	Impairment charges	-	(33,270)	-	-	-	Derivative fair value revaluation	192	6,795	(442)	(728)	(26)	Finance charges	160	(1,500)	(64)	(111)	-	Loss before income tax	(888)	(29,839)	(1,539)	(2,320)	(743)	Income tax recovery	266	7,338	-	-	-	Other comprehensive loss net of tax	(622)	(22,500)	(1,539)	(2,320)	(743)	Total Comprehensive Loss	(622)	(22,500)	(1,539)	(2,320)	(743)
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Item	Summary	Further information																																																						
What is the Company's pro forma financial position?	The table below sets out the summarised, reviewed historical and pro forma consolidated statement of financial position as at 31 December 2020. Details of the pro forma consolidated statement of financial position, including the pro forma adjustments are set out in Section 4. The convenience translation to Australian dollars assumes an FX rate of US\$0.79:\$1.00. <table><tr><th>As at 31 December 2020</th><th>Reviewed US\$'000</th><th>Pro Forma Minimum US\$'000</th><th>Pro Forma Maximum US\$'000</th><th>Pro Forma Minimum A\$'000</th><th>Pro forma Maximum A\$'000</th></tr><tr><td>Total current assets</td><td>84</td><td>6,480</td><td>8,311</td><td>8,202</td><td>10,521</td></tr><tr><td>Total non-current assets</td><td>17,527</td><td>22,662</td><td>22,662</td><td>28,686</td><td>28,686</td></tr><tr><td>Total assets</td><td>17,611</td><td>29,142</td><td>30,973</td><td>36,888</td><td>39,207</td></tr><tr><td>Total current liabilities</td><td>21,414</td><td>1,747</td><td>1,747</td><td>2,211</td><td>2,211</td></tr><tr><td>Total non-current liabilities</td><td>-</td><td>429</td><td>429</td><td>543</td><td>543</td></tr><tr><td>Total liabilities</td><td>21,414</td><td>2,176</td><td>2,176</td><td>2,754</td><td>2,754</td></tr><tr><td>Net assets/ (liabilities)</td><td>(3,803)</td><td>26,966</td><td>28,797</td><td>34,134</td><td>36,452</td></tr><tr><td>Total equity</td><td>(3,803)</td><td>26,966</td><td>28,797</td><td>34,134</td><td>36,452</td></tr></table> The pro forma historical balance sheet as at 31 December 2020 after the Offers is as per the statement of financial position before the Offers adjusted for the impact of the Restructure and the Offers. The pro-forma historical balance sheet as at 31 December 2020 is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Section 4 of the Prospectus.	As at 31 December 2020	Reviewed US\$'000	Pro Forma Minimum US\$'000	Pro Forma Maximum US\$'000	Pro Forma Minimum A\$'000	Pro forma Maximum A\$'000	Total current assets	84	6,480	8,311	8,202	10,521	Total non-current assets	17,527	22,662	22,662	28,686	28,686	Total assets	17,611	29,142	30,973	36,888	39,207	Total current liabilities	21,414	1,747	1,747	2,211	2,211	Total non-current liabilities	-	429	429	543	543	Total liabilities	21,414	2,176	2,176	2,754	2,754	Net assets/ (liabilities)	(3,803)	26,966	28,797	34,134	36,452	Total equity	(3,803)	26,966	28,797	34,134	36,452	Sections 4 and 5
As at 31 December 2020	Reviewed US\$'000	Pro Forma Minimum US\$'000	Pro Forma Maximum US\$'000	Pro Forma Minimum A\$'000	Pro forma Maximum A\$'000																																																			
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Are there any forecasts of future earnings?	Having considered the matters detailed in ASIC Regulatory Guide 170, the Directors determined that they do not have a reasonable basis to forecast future earnings. Besra's principal activity following completion of the Offers will be undertaking its business strategy work program. As this entails Resource delineation and other pre-development activities, the Company is unlikely to make money or generate income in the short term. Until the Company can realise value from mining activities, the Company is likely to incur ongoing operating losses.	Section 4																																																						

Item	Summary	Further information
Will the Company have sufficient funds for its activities?	In the opinion of the Directors, upon successful completion of the Offers, the Company will have sufficient working capital to pursue its stated activities.	Section 2.6
What is the Company's financial outlook?	Because of the nature of Besra's business strategy to be undertaken following Listing, the Company is unlikely to generate any meaningful revenue in the short term. As such, the Company will not generate income unless and until its Mineral Resources are economically exploited.	Section 4
What is the Company's dividend policy?	Based on the Company's financial outlook Besra does not expect to declare dividends to shareholders in the foreseeable future.	Section 9.15
What is the Company's debt position after Listing?	Following Listing, and other than as disclosed, the Company will not have on-going historical debt obligations (save for normal trade creditors) following completion of the Restructure and Listing.	Section 4
What are the tax implications of investing in the CDIs?	The tax consequences of any investment in CDIs will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding to invest.	Section 2.19

1.4 Key Risks

Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 7, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. An investment in the Securities should be considered speculative. Investors may lose some or all of their investment.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks set out in Section 7. Where relevant, the risks below assume completion of the Restructure and the Offers have occurred. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance.

The Company's principal activity following completion of the Offers will be the implementation of its business strategy work program. The risks and comments disclosed below will be risks of the Company following completion of the Offers.

Key Risks	Summary	Further Information
Reliance on Joint Venture partner	The Company does not hold legal title to the Permits which form the Bau Gold Project. These Permits are held by Gladioli (the Sarawak-based Joint Venture operator of the Bau Gold Project) or certain of the Gladioli Companies. If the relationship between the Company and Gladioli breaks down, the operations or prospects of the Bau Gold Project could be materially adversely affected and the Company may incur significant costs in resolving issues to ensure it can continue with its planned exploration and drilling activities. The Company has a long-standing relationship with Gladioli, and has entered into an arms-length consultancy agreement with Gladioli, through Gladioli's affiliated company Bukit Young Goldmine Sdn Bhd, pursuant to which it will provide in-country services to Besra for a period of two years following Listing, which will entail liaising with community, local and state stakeholders.	Section 7.2(a)
Retaining title to Permits	The Company must meet certain conditions attaching to each Permit it holds interests in. Each granted Permit has an expiry date. Failure to meet Permit conditions, renew Permits, extend terms of the Permits or amend terms of the Permits in a timely fashion with regulators could result in the Company losing its interests in the Permits. The Mineral Resource estimates for Blocks A and B includes those hosted in Permits subject to renewal and/or conditional grant. The Company currently has an interest in various Permits, including those involving applications for renewal. Unless otherwise renewed in accordance with the Mineral Ordinance, all Permits are subject to an expiry date. For instance, ten of the Permits are due to expire by 2025. However, the Minerals Ordinance provisions provide for renewals in the normal course. Additionally, there is a possibility that the relevant holders for 11 Permits have not complied with requirements to commence development works, which may render them liable to forfeiture in the future. Further, the Joint Venture was advised by the Ministry of Urban Development and Natural Resources in 2018 of its intention to revoke four Mining Leases within the Bau Gold Project, totalling 252.4Ha. These four Mining Leases encroach upon the newly gazetted boundaries of the Deret Krian National Park (DKNP). As outlined in Section 7.2(b), the Joint Venture submitted a proposal in August 2018 seeking to voluntarily surrender those portions of the Mining Leases which encroach upon DKNP in return for retaining the remaining portions of the Mining Leases or reapplying for new Mining Leases over those remaining portions. Should the Joint Venture surrender those portions within the boundaries of the DKNP of the four Mining Leases currently subject to forfeiture, the Project's global Resource would be reduced from 3.3Moz to approximately 3.02Moz. If discussions regarding this proposal are unsuccessful, the Company may no longer have an interest in, or beneficial title to, these four Mining Leases and will be unable to fully exploit the intellectual and geological knowledge of previous exploration	Sections 3 and 7.2(b).

Key Risks	Summary	Further Information
	results gained from within the areas they encompass. If the four relevant Mining Leases are forfeited in their entirety, the Project's global Resource would be reduced to approximately 2.6Moz. The Company believes this to be the more unlikely outcome because it would reapply for appropriate tenure over those lands within the four Mining Leases not lying within the DKNP. As at 31 March 2021, inspection of the Registry at the Land Office did not reveal that any memorial of forfeiture had been registered in relation to any of these four Mining Leases (as specified in s.60 of the Minerals Ordinance). Nevertheless, should forfeiture be effected it will not impact upon the business strategy work program which, as outlined in Section 3.13, does not involve any of these four Mining Leases.	
Meeting of Unsecured Noteholders	The previous approval of Unsecured Noteholders required to facilitate the Noteholder Offer was subject to Conditional Admission occurring before 30 May 2021. Given the requirement to lodge a replacement prospectus (being this Prospectus) and the resulting delays in opening the Offers, such approval of the Unsecured Noteholders has lapsed. A meeting of Unsecured Noteholders was scheduled to be held on 28 June 2021 to consider whether to extend the deadline for Conditional Admission. This meeting was adjourned until 4:00pm (Toronto time) on 3 August 2021. There is a risk that the Unsecured Noteholders do not approve such extension at the upcoming adjourned meeting, or that the Company does not receive sufficient votes of Unsecured Noteholders to establish a quorum for the meeting (or at any subsequent meeting following adjournment thereof). If either of these events occur, the Offers cannot proceed and the Company will not be able to list on the ASX.	Section 7.2(c)
Key personnel	The future success of the Company depends, to a significant extent, upon the continued services of the management team. The loss of services from any of the key personnel may have a material adverse effect on the Company's business and operations. There can be no assurance that the Company will be able to retain or hire all appropriate personnel necessary for the development and operation of its business.	Section 7.2(f)
Uncertainty of future profitability	The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. Given the Company's stated business strategy, it also expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability include its ability to delineate further JORC compliant Mineral Resources, the success of metallurgical and processing studies, the success of feasibility studies, the prevailing market price of gold, the actions of competitors and regulatory approvals. Further, the level of any such profitability (or loss) cannot be predicted and may vary significantly from period to period.	Section 7.2(g)
Gold price volatility	Commodity prices, including those for gold, fluctuate and are affected by many factors beyond the control of the Company, including international supply and demand, the level of consumer product demand, technological advancements, forward selling activities, global political uncertainties, the outbreak of warfare,	Section 7.2(h)

Key Risks	Summary	Further Information
	global catastrophes including pandemics and actions taken by governments and global economic and political developments. Gold prices have fluctuated in the past and are likely to continue to fluctuate significantly in the future. Fluctuations in gold prices and a material decline in the gold price may have a material adverse effect on the Company's business fortunes, including its financial position and operating results.	
Counterparty risk	The current and planned operations of the Company require involvement of a number of third parties including distributors, customers and suppliers. In particular, Besra does not have any material plant on site at the Bau Gold Project, so further exploration will be undertaken under contract mining with all plant and equipment to be provided by contractors under contractual arrangements which mandate compliance with limited Malaysian mining legislation. The ability of the Company to achieve its stated objectives will depend on the continued creditworthiness of and contractual performance by such counterparties. If deterioration of the creditworthiness of these counterparties occurs, or if they otherwise fail to adhere to or terminate arrangements, the Company's business may be adversely affected (including, for example, a delay to or termination of services or costly legal disputes).	Section 7.2(k)
Internal regulatory controls	The Company has previously been underfunded for a number of years, while it has endeavoured to manage the consequences of its historic Vietnamese projects. The Company's corporate and financial resources in this period were lacking, which led to a number of instances of potential non-compliance with certain applicable regulatory requirements. There is a risk that the Company may be subject to legal and/or regulatory action in any of the jurisdictions in which the Company operates, including fines or other adverse consequences as a result of these administrative errors. As at the Prospectus Date, the Company is not aware of any breaches of laws and regulations that could have a material adverse impact on the Company. The Company has now appointed an experienced Board and Senior Management team to ensure suitable internal controls are in place as at the Prospectus Date and following Listing. In addition, the Company has severed all connections with its historic Vietnamese projects.	Section 7.2(m)
Development and operational	A number of factors will influence the Company's ability to pursue its exploration development and operational activities. These include, amongst others, Besra's ability to obtain the necessary regulatory consents and approvals, retain or engage appropriately skilled and experienced employees, contractors and consultants, access to equipment, materials and infrastructure, as well as access to adequate capital on acceptable terms and acts beyond the control of the Company. Geological and weather conditions, unforeseen costs, plant or equipment failures, accidents, natural disasters, pandemics,	Section 7.3(c)

Key Risks	Summary	Further Information
	industrial disputes and/or social unrest may also interrupt operations.	
Mineral Resource estimation	Besra's JORC Code 2012 and NI 43-101 compliant gold Mineral Resources are estimates only. Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly as new information becomes available. In addition, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling or similar examinations, Mineral Resource estimates may have to be adjusted and mining plans altered in a way which could adversely affect the Company's operations.	Section 7.3(d)
Future capital requirements	The Company's ability to carry out its business, including its advancement of the Bau Gold Project, is dependent upon its ability to raise funds in an orderly fashion and on reasonable terms. Exploration and development involve significant financial risk and capital investment. Even in circumstances where the Maximum Subscription is raised, the Company may require further capital to achieve its ultimate strategy of advancing the Bau Gold Project towards production. Also, it is possible further capital may be required at an earlier stage if any risks, including those described in Section 7, materialise, or equally new and superior opportunities materialise. Any additional equity financing may dilute shareholdings whereas debt financing, if available, may involve the imposition of conditions on the Company, including encumbrances, which may restrict future third party financing. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its activities. There is no guarantee that the Company will in the future be able to secure the necessary additional equity funding or financing on terms to ensure appropriate levels of funding for undertaking the business strategy and that such funding is available within acceptable time frames and on commercially acceptable terms.	Section 7.3(e)
Environmental	The Company is subject to several laws and regulations relating to the environmental impact of its current and future intended activities, including rehabilitation. There is no guarantee that necessary environmental approvals for its proposed activities will be approved in a timely manner or be forthcoming at all. Changes to environmental laws may result in the cessation or reduction of the Company's activities or materially increase planned exploration or development costs. Penalties for failure to adhere to requirements or, in the event of environmental damage, remediation costs can be substantial.	Section 7.3(f)
Government regulation	The Company must comply with various legislative and regulatory requirements according to both the laws of Malaysia and the State of Sarawak, principal of which is the Sarawak Minerals Ordinance of 2004. There is no guarantee that the current or successor Federal or State governments will not make material changes to any relevant mining legislation. Nor is there any	Section 7.3(g)

Key Risks	Summary	Further Information
	guarantee that the Government of Sarawak authorities will approve the granting and/or renewal of any mining titles as a matter of course or if so, whether that will be on similar economic terms or within acceptable time frames. Government regulations may impose significant costs on the Company's intended activities. Current and future regulatory impositions, including in relation to environmental, taxation, fiscal and export matters, could increase those costs or limit Besra's ability to undertake its activities for the development and production of gold.	
Infectious disease risk	Outbreaks of pandemics or diseases, including, for example, COVID-19, may have a materially adverse effect on Besra's business. The global economic outlook remains uncertain due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and the Company's future share price. Moreover, measures to limit the transmission of the virus implemented by governments around the world may adversely impact the Company's intended activities. Gladioli, as operator of the Joint Venture, being located in Kuching, Sarawak, ameliorates some of the infection transmission risks commonly associated with international travel. However, the impact of COVID-19 on obtaining timely access to contractors, employees and skilled personnel, located outside of Sarawak and Malaysia generally, remains an unknown and will be closely monitored in terms of its potential impact on the Company's business and financial performance.	Section 7.4(b)
Climate change risk	As a mining company, Besra is exposed to both transition risks and physical risks associated with climate change. Government proposals to transition to a lower-carbon economy may entail extensive policy, legal, technological and market changes that impact negatively on the mining industry (such as by increasing the cost of diesel, electricity or other consumables with a carbon footprint). Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change may significantly affect Besra's future operating and financial performance.	Section 7.4(c)

1.5 Overview of the Offers

Item	Summary	Further information
What Securities are being offered under the Offers?	The Public Offer comprises the issue of a minimum of 50 million and a maximum of 62.5 million CDIs at an Offer Price of \$0.20 per CDI to raise a minimum of \$10 million and a maximum of \$12.5 million.	Section 2.1

Item	Summary	Further information
	A total of 69,844,631 CDIs are also being offered under this Prospectus pursuant to the Noteholder Offer.	
Is there a Minimum Subscription?	Yes. The Minimum Subscription is 50 million CDIs at the Offer Price of \$0.20 per CDI to raise a minimum of \$10 million.	Section 2.3
Are there any conditions to the Offers?	The issue of CDIs under the Offers is conditional on the following: (a) the Company receiving conditional approval for quotation of the CDIs on the ASX on terms acceptable to the Company; (b) the Company achieving the Minimum Subscription; and (c) the completion of all steps (other than Conditional Admission) required to implement the Restructure, including the Unsecured Noteholders approving an extension to the deadline for Conditional Admission at a meeting to be held at 4:00pm (Toronto time) on 3 August 2021 (or at any subsequent meeting following adjournment thereof). If any of these conditions are not satisfied or waived, the Company will not proceed with the Offers and the Company will repay all Application Monies received without interest.	Section 2.2
Why are the Offers being made?	The purpose of the Offers is to raise a minimum of \$10 million and a maximum of \$12.5 million, complete the Restructure, facilitate an application by the Company for admission to the Official List of the ASX and position the Company to undertake its business strategy. Specifically, Besra seeks to: (a) increase the Resource inventory both in terms of the average gold grade and global amount, including containing a larger proportion of Indicated and Measured categories; (b) design ore processing streams best suited to the metallurgical performance of ore feed stock, including blended ore feed-stock, assuming a variety of scenarios and production outputs ranging from various export concentrates to doré; (c) upgrade the feasibility studies to a standard necessary to support future funding requirements for an optimised development based on increased Resource Inventory, metallurgical and processing studies for an expanded range of mine scenarios, including single pit, integrated, staged and/or multiple pit development scenarios; and (d) co-ordinate existing Permit interests including regulatory compliance as well as environmental, community, occupational health and safety and other systems	Section 2.5

Item	Summary	Further information																																												
	necessary to support in-country activities and company policies.																																													
What is the Restructure?	The Restructure involves a series of steps designed to simplify the Company's corporate structure and facilitate the exchange of much of the Company's outstanding debts and obligations for equity. Following completion of the Restructure, Besra will have no interest bearing debt.	Section 2.7																																												
What is the minimum Application size under the Public Offer?	The minimum Application size for Applicants under the Public Offer is 10,000 CDIs (equivalent to \$2,000) and thereafter in multiples of 2,500 CDIs (equivalent to \$500).	Section 2																																												
How does the Company intend to use funds raised by the Public Offer?	The Company proposes to use the funds from the Public Offer to pursue its business strategy through its Bau Gold Project work program and for corporate purposes as set out below: <table><tr><th rowspan="2">Source of Funds</th><th colspan="2">Minimum Subscription</th><th colspan="2">Maximum Subscription</th></tr><tr><th colspan="2">\$000s</th><th colspan="2">\$000s</th></tr><tr><td>Gross funds raised from the Public Offer¹</td><td colspan="2">10,000</td><td colspan="2">12,500</td></tr><tr><th>Use of Funds</th><th>\$000s</th><th>%</th><th>\$000s</th><th>%</th></tr><tr><td>Exploration, evaluation and Bau Project development</td><td>5,754</td><td>58</td><td>8,104</td><td>65</td></tr><tr><td>Staff costs³</td><td>473</td><td>5</td><td>473</td><td>4</td></tr><tr><td>Administration and general working capital</td><td>2,079</td><td>20</td><td>2,079</td><td>17</td></tr><tr><td>Transaction costs related to the Listing³</td><td>1,694</td><td>17</td><td>1,844</td><td>14</td></tr><tr><td>Total</td><td>10,000</td><td>100%</td><td>12,500</td><td>100%</td></tr></table> Notes: 1 As at the Prospectus Date, the Company has nominal existing cash reserves, which have not been included in its source of funds. 2 Including site office in Bau, core and sample processing, handling and storage facilities, vehicle communications, accommodation, field assistants and labour costs and licence rentals. 3 Estimated expenses of the Offers include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, share registry fees and other miscellaneous expenses associated with the Offers as set out in Section 9.12. The table above represents the Company's current intentions as at the Prospectus Date. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner and timing in which funds are applied.	Source of Funds	Minimum Subscription		Maximum Subscription		\$000s		\$000s		Gross funds raised from the Public Offer ¹	10,000		12,500		Use of Funds	\$000s	%	\$000s	%	Exploration, evaluation and Bau Project development	5,754	58	8,104	65	Staff costs ³	473	5	473	4	Administration and general working capital	2,079	20	2,079	17	Transaction costs related to the Listing ³	1,694	17	1,844	14	Total	10,000	100%	12,500	100%	Section 2.6
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Item	Summary	Further information																																																															
What is the effect of the Offers on the capital structure of the Company?	The capital structure of the Company following completion of the Offers¹ is summarised below. <table> <tr> <th>Capital Structure – Shares / CDIs</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Shares on issue as at the Prospectus Date</td><td>4,818,622</td><td>4,818,622</td></tr> <tr> <td>CDIs to be issued to the Secured Creditors under the Restructure²</td><td>83,942,611</td><td>83,942,611</td></tr> <tr> <td>CDIs to be issued to Pre-IPO Investors under the Restructure³</td><td>52,274,000</td><td>52,274,000</td></tr> <tr> <td>CDIs to be issued under the Noteholder Offer⁴</td><td>69,844,631</td><td>69,844,631</td></tr> <tr> <td>CDIs to be issued to Gladioli under the SPSA Variation⁵</td><td>12,500,000</td><td>12,500,000</td></tr> <tr> <td>CDIs to be issued to Pangaea under the SPSA Variation⁵</td><td>20,000,000</td><td>20,000,000</td></tr> <tr> <td>CDIs to be issued to settle trade creditors</td><td>532,457</td><td>532,457</td></tr> <tr> <td>CDIs to be issued under the Public Offer</td><td>50,000,000</td><td>62,500,000</td></tr> <tr> <td>Total number of Shares and CDIs on issue at Listing</td><td>293,912,321</td><td>306,412,321</td></tr> <tr> <th>Capital Structure – Options</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Lead Manager Options - Canaccord⁶</td><td>2,990,385</td><td>4,528,846</td></tr> <tr> <td>Broker Options - Boustead⁶</td><td>1,625,000</td><td>1,625,000</td></tr> <tr> <td>Incentive Options⁷</td><td>7,250,000</td><td>7,250,000</td></tr> <tr> <td>Bonus Options⁸</td><td>2,500,000</td><td>2,500,000</td></tr> <tr> <td>Total number of Options on issue at Listing</td><td>14,365,385</td><td>15,909,846</td></tr> <tr> <th>Capital structure – Performance Rights</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Class A Performance Rights</td><td>2,600,000</td><td>2,600,000</td></tr> <tr> <td>Class B Performance Rights</td><td>3,650,000</td><td>3,650,000</td></tr> <tr> <td>Total number of Performance Rights on issue at Listing⁹</td><td>6,250,000</td><td>6,250,000</td></tr> <tr> <th>Capital Structure – Warrants</th><th>Minimum Subscription Number</th><th>Maximum Subscription Number</th></tr> </table>	Capital Structure – Shares / CDIs	Minimum Subscription	Maximum Subscription	Shares on issue as at the Prospectus Date	4,818,622	4,818,622	CDIs to be issued to the Secured Creditors under the Restructure ²	83,942,611	83,942,611	CDIs to be issued to Pre-IPO Investors under the Restructure ³	52,274,000	52,274,000	CDIs to be issued under the Noteholder Offer ⁴	69,844,631	69,844,631	CDIs to be issued to Gladioli under the SPSA Variation ⁵	12,500,000	12,500,000	CDIs to be issued to Pangaea under the SPSA Variation ⁵	20,000,000	20,000,000	CDIs to be issued to settle trade creditors	532,457	532,457	CDIs to be issued under the Public Offer	50,000,000	62,500,000	Total number of Shares and CDIs on issue at Listing	293,912,321	306,412,321	Capital Structure – Options	Minimum Subscription	Maximum Subscription	Lead Manager Options - Canaccord ⁶	2,990,385	4,528,846	Broker Options - Boustead ⁶	1,625,000	1,625,000	Incentive Options ⁷	7,250,000	7,250,000	Bonus Options ⁸	2,500,000	2,500,000	Total number of Options on issue at Listing	14,365,385	15,909,846	Capital structure – Performance Rights	Minimum Subscription	Maximum Subscription	Class A Performance Rights	2,600,000	2,600,000	Class B Performance Rights	3,650,000	3,650,000	Total number of Performance Rights on issue at Listing⁹	6,250,000	6,250,000	Capital Structure – Warrants	Minimum Subscription Number	Maximum Subscription Number	Section 2.8
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Item	Summary			Further information					
	<table><tr><td>Warrants on issue to Forest Nominees at Listing¹⁰</td><td>1,776,440</td><td>1,776,440</td></tr><tr><td>Total number of Warrants on issue at Listing</td><td>1,776,440</td><td>1,776,440</td></tr></table>	Warrants on issue to Forest Nominees at Listing ¹⁰	1,776,440	1,776,440	Total number of Warrants on issue at Listing	1,776,440	1,776,440		
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	Notes: 1 See Section 2 for details of the Offers. 2 See Section 2.7(a) for more information on CDIs to be issued to the Secured Creditors under the Restructure. 3 See Section 2.7(b) for more information on CDIs to be issued to the Pre-IPO Investors under the Restructure. 4 See Section 2.7(d) for more information on CDIs to be issued under the Noteholder Offer. 5 See Section 2.8 for more information on CDIs to be issued to Gladioli and Pangaea under the SPSA Variation. 6 See Attachment D for more information on the Lead Manager Options and Broker Options. 7 See Attachment B for more information on the Class A and Class B Incentive Options. 8 See Attachment C for more information on the Bonus Options. 9 See Attachment E for more information on the Performance Rights. 10 Warrants on issue to Forest Nominees, a Pre-IPO investor, exercisable at \$0.12 per Share and expiring on 31 July 2021. The full terms of these warrants are set out in Attachment F.								
How do I apply for CDIs under the Public Offer?	Investors wishing to apply for CDIs under the Public Offer contained in this Prospectus should use the Application Form attached to this Prospectus or the online Application Form available at https://besraoffer.thereachagency.com. Applicants may pay by cheque or BPAY®. If an Applicant is paying by: (a) BPAY® via internet or phone banking – please visit our share registry's website: https://besraoffer.thereachagency.com and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be provided to you upon completion of the application; or (b) cheque – the cheque must be in Australian dollars for the full amount of the application being \$0.20 per CDI multiplied by the number of CDIs applied for. Cheques must be made payable to “Besra Gold Inc” and should be crossed “Not Negotiable”. If you are paying by cheque, your completed Application Form and accompanying cheque must reach the Company’s Registry at the address indicated on the form by the Closing Date. The Company reserves the right to extend the Closing Date or close the Offers early without notice (in its absolute discretion). All BPAY® payments must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution’s cut-off time for making payments.			Section 2.11					
When will I know if my Application	It is expected that holding statements and allotment confirmation notices will be sent to successful Applicants by post on or about 6 September 2021 (subject to any extension of the Offers).			Section 2.15					

Item	Summary	Further information
was successful?		
What are CDIs?	ASX uses an electronic system called CHESS for the clearance and settlement of trades on ASX. Besra, being incorporated in Canada under Canadian laws, does not recognise the CHESS system of holding securities. Consequently, to enable companies such as Besra to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company such as Besra and are traded in a manner similar to shares of Australian companies listed on the ASX. Each Share will be equivalent to one CDI.	Section 9.2
What rights and liabilities attach to the CDIs being offered?	The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. See Section 9.1 for a description of the rights attaching to Shares and Section 9.2 for information on the rights of CDI Holders.	Sections 9.1 and 9.2
Can Applications be withdrawn?	Applicants may withdraw their Application between 12 July 2021 and 12 August 2021.	Section 2.20
Can the Offers be withdrawn by the Company?	Yes. The Company reserves the right not to proceed with the Offers at any time before the issue of CDIs to successful Applicants. If the Offers do not proceed, Application Monies will be refunded as soon as practicable in accordance with the requirements of the Corporations Act. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offers.	Section 2.15
Who is the Lead Manager?	Canaccord Genuity (Australia) Limited (AFSL 234666).	Section 2.4
Will the CDIs be quoted on the ASX?	The Company has applied to the ASX for the quotation of its CDIs on the ASX (which is expected to be under the code BEZ). If the Company does not meet the requirements of the ASX for quotation of its CDIs on the ASX and/or the ASX does not admit the CDIs to Official Quotation before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any CDIs and will repay all Application Monies for the CDIs within the time prescribed under the Corporations Act, without interest.	Sections 2.15, 2.18 and 7.5(a)
What will be the escrow and free float position at Listing?	It is presently expected that at the time of admission to the Official List, approximately 149,000,000 Securities (assuming Minimum Subscription) will be subject to mandatory escrow for periods of 12 or 24 months as set out in Section 2.16 (Restricted Securities), representing approximately 47% of the Shares and CDIs on issue (on a fully diluted basis, assuming Minimum	Section 2.16

Item	Summary	Further information
	Subscription) at Listing. The final escrow arrangements will be determined following consultation with ASX. During the relevant escrow period, holders of Restricted Securities must not dispose of those Restricted Securities other than as permitted by the relevant restriction deed, voluntary escrow deed or restriction notice. The holders may be released from the escrow arrangements during the escrow period in certain circumstances, including in relation to a takeover bid, merger or acquisition by scheme of arrangement, or to the extent required by law. The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to commencement of trading of the Company's CDIs on ASX. It is expected that the Company will satisfy the 20% minimum free float requirement for listing on the ASX.	
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty should be payable by Applicants on acquisition of CDIs under the Offers.	Section 2.11
Where can I find out more information about the Public Offer?	Questions relating to the Public Offer can be directed to the Lead Manager, Canaccord Genuity (Australia) Limited, on +61 3 8688 9100.	Section 2.21

2 Details of the Offers

2.1 The Offers

The Public Offer is an offer of between 50,000,000 and 62,500,000 fully paid CDIs over between 50,000,000 and 62,500,000 common shares (**Shares**) in the capital of Besra Gold Inc (**Company**) (ie, a ratio of 1 CDI for 1 Share) at a price of \$0.20 per CDI, to raise between a minimum of \$10,000,000 and a maximum of \$12,500,000 (before costs and expenses).

This Prospectus also contains an ancillary offer of 69,844,631 CDIs to unsecured convertible noteholders (**Unsecured Noteholders**) as summarised in Section 2.7 below (**Noteholder Offer**).

Successful Applicants under the Offers will receive CDIs. The issue of CDIs is necessary to allow ASX trading of Securities of Besra, which is a company incorporated in Canada. CDIs give a holder similar, but not identical rights, to a holder of Shares. See Section 9.2 for further details of CDIs. References in this Prospectus to “Shares” include references to “CDIs” as appropriate.

2.2 Conditions to the Offers

Completion of the issue of CDIs under the Offers is subject to the following conditions:

- (a) the Company receiving conditional approval for quotation of the CDIs on the ASX (**Conditional Admission**) on terms acceptable to the Company;
- (b) the Company achieving the Minimum Subscription; and
- (c) the completion of all steps (other than Conditional Admission) required to implement the Restructure, as outlined in section 2.7 below), including the Unsecured Noteholders approving an extension to the deadline for Conditional Admission at a meeting to be held at 4:00pm (Toronto time) on 3 August 2021 (or at any subsequent meeting following adjournment thereof).

If any of the conditions of the Offers are not satisfied or waived, the Company will not proceed with the Offers and the Company will repay all Application Monies received without interest.

2.3 Minimum Subscription

The minimum level of total subscriptions for the Public Offer is 50,000,000 CDIs at \$0.20 per CDI to raise a minimum of \$10,000,000 (**Minimum Subscription**). No CDIs will be issued unless the Minimum Subscription or greater has been received by the Closing Date (which may be extended by the Company from time to time). If the Minimum Subscription or greater is not received within four months after the Prospectus Date (or such period as varied by ASIC), the Company will not proceed with the Offers and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.

2.4 Lead Manager and US Placement Agent

The Public Offer is not underwritten. Canaccord is the Lead Manager to the Public Offer. Cannacord has appointed Boustead as US Placement Agent to the Public Offer. A summary of the key terms of the appointments is set out in Section 8.1.

2.5 Purpose of the Offers

The purpose of the Offers is to raise a minimum of \$10 million and a maximum of \$12.5 million, complete the Restructure, facilitate an application by the Company for admission to the Official List of the ASX and position the Company to undertake its business strategy.

Specifically, Besra seeks to:

- (a) increase the Resource inventory both in terms of the average gold grade and global amount, including containing a larger proportion of Indicated and Measured categories;
- (b) design ore processing streams best suited to the metallurgical performance of ore feed stock, including blended ore feed-stock, assuming a variety of scenarios and production outputs ranging from various export concentrates to doré;
- (c) upgrade existing feasibility studies to a standard necessary to support future funding requirements for an optimised development based on increased Resource Inventory, metallurgical and processing studies for an expanded range of mine scenarios, including single pit, integrated, staged and/or multiple pit development scenarios; and
- (d) co-ordinate existing Permit interests including regulatory compliance as well as environmental, community, occupational health and safety and other systems necessary to support in country activities and company policies.

2.6 Use of funds

The Company intends to apply the funds raised from the Public Offer (no funds are raised by the Noteholder Offer) to pursue its exploration and development programme for the Bau Gold Project and for corporate purposes following Listing as set out in the table below:

Source of Funds	Minimum Subscription		Maximum Subscription	
	\$000s		\$000s	
Gross funds raised from the Public Offer ¹	10,000		12,500	
Use of Funds	\$000s	%	\$000s	%
Exploration, evaluation and Bau Project development	5,754	58	8,104	65

Source of Funds	Minimum Subscription		Maximum Subscription	
	\$000s		\$000s	
Staff costs	473	5	473	4
Administration and general working capital	2,079	20	2,079	17
Transaction costs associated with the Listing ³	1,694	17	1,844	14
Total	10,000	100%	12,500	100%

Notes:

1. As at the Prospectus Date, the Company has nominal existing cash reserves, which have not been included in its source of funds.
2. Including site office in Bau, core and sample processing, handling and storage facilities, vehicle communications, accommodation, field assistants and labour costs and licence rentals.
3. Estimated expenses of the Offers include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, share registry fees, printing fees and other miscellaneous expenses associated with the Offers – see Section 9.12.

In the event the Company raises more than the Minimum Subscription but less than the Maximum Subscription, priority will be given to exploration, evaluation and development expenditure for the Bau Gold Project.

The table above represents the Company's current intentions as at the Prospectus Date. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. In particular, the Company's budgets will be subject to modification on an ongoing basis as part of an iterative process dependent upon interim results of its proposed work program activities. This may result in specific work programs being amended, deleted and/or expanded, as well as changes in their prioritisation and timing. Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

The Board believes that funds raised from the Public Offer, assuming the Minimum Subscription is raised, will provide the Company with sufficient working capital to carry out its stated objectives.

The Board intends to apply any additional funds raised upon the exercise of Options towards the cost of its intended activities and general working capital purposes.

2.7 Restructure

Besra has sought and obtained the approval of various creditors and other third parties to a series of arrangements detailed below, and is in the process of seeking and obtaining the approval of Unsecured Noteholders, with a view to simplifying its capital structure and minimising debt (**Restructure**).

The issue of CDIs pursuant to the Restructure is subject to Conditional Admission and the CDIs will be issued during the currency of the Offers. The material terms of the agreements effecting the Restructure are set out in Section 8.6.

(a) CDIs to be issued to Secured Creditors

A total of 83,942,611 CDIs will be issued upon Conditional Admission to Besra's secured creditors, including Pangaea and InCoR (**Secured Creditors**). Besra's Secured Creditors have agreed terms for an exchange of debt and pre-existing warrants over Shares for new equity in the form of CDIs, subject to Conditional Admission (see Sections 8.6(a) and 8.6(b)).

(b) CDIs to be issued to Pre-IPO Investors

The total of 52,274,000 CDIs will be issued upon Conditional Admission for the Novus Advances, the Forest Nominees and the Pre IPO Notes (collectively **Pre-IPO Investors**), as described below.

(i) Novus Advances

Clients of Novus Capital have provided unsecured advances totalling approximately \$800,821 to the Company for working capital purposes (**Novus Advances**). The Novus Advances are repayable on demand and accrue interest at 12% per annum, payable on maturity. The Novus Advances will convert to 12,068,732 CDIs upon Conditional Admission.

(ii) Pre-IPO Notes

In July 2020, the Company completed a pre-IPO financing pursuant to which it raised approximately \$2.5 million through the issue of notes convertible into Shares (in the form of CDIs) to sophisticated and professional investors (**Pre-IPO Notes**). The Pre-IPO Notes do not accrue interest.

The terms of the Pre-IPO Notes provide that upon the occurrence of a "Listing Event" (which includes, among others, the Company's admission to the Official List), the Pre-IPO Notes will automatically convert into Shares. The terms of the Pre-IPO Notes have been amended to provide for their conversion into 42,205,269 CDIs upon Conditional Admission.

(c) CDIs to be issued to trade creditors

A total of 532,457 CDIs are to be issued in full and final settlement of certain historical obligations to Besra's trade creditors.

(d) Noteholder Offer

This Prospectus contains an ancillary offer of a total of 69,844,631 CDIs to be issued to Unsecured Noteholders (**Noteholder Offer**). Under the Noteholder Offer, Unsecured Noteholders will be entitled to be issued 1,474.12 CDIs in exchange for the settlement in full of each \$1,000 principal amount of Notes (and all accrued interest thereon).

The purpose of the Noteholder Offer is to satisfy in full all outstanding obligations owed by Besra to the Unsecured Noteholders of approximately \$47,486,000 in debt, which had accrued in connection with an agreement entered into between Besra and the Unsecured Noteholders under the Bankruptcy and Insolvency Act (Canada) as part of a debt rationalisation and corporate restructuring of Besra as described in Section 3.2. At a meeting held on 3 December 2020, the Unsecured Noteholders agreed to amend the Note terms in order to allow the Company to accept the relevant Noteholder Offer on their behalf, subject to Conditional Admission occurring prior to 28 February 2021. The Unsecured Noteholders at a further meeting held on 18 March 2021 agreed to extend this deadline to 30 May

2021. Given further delays in opening the Offers under this Prospectus, the Company called a meeting of Unsecured Noteholders to be held on 28 June 2021 to consider whether to further extend this deadline to 30 September 2021. This meeting was adjourned until 4:00pm (Toronto time) on 3 August 2021 as the Company did not receive sufficient votes on the original meeting date to establish a quorum for the meeting.

The previous approval of the amendments to the Notes by Unsecured Noteholders lapsed on 30 May 2021, and therefore, if the Unsecured Noteholders do not approve the extension to the deadline at the meeting to be held at 4:00pm (Toronto time) on 3 August 2021 (or at any subsequent meeting following adjournment thereof), the Offers will not proceed and the Company will not list on the ASX. As set out in Section 2.2, if this occurs, the Company will repay all Application Monies received without interest.

Subject to the Unsecured Noteholders approving the extension of the deadline at the upcoming meeting, each Unsecured Noteholder will have taken to have represented, warranted and agreed as follows:

- (a) it understands that the CDIs have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the United States (except for Approved US Investors);
- (c) it has not, and will not send, this Prospectus or any other material relating to the Noteholder Offer to any person in the United States; and
- (d) the CDIs issued may be subject to an escrow period.

2.8 CDIs to be issued to Gladioli and Pangaea

A total of 12,500,000 CDIs will be issued to Gladioli and 20,000,000 CDIs will be issued to Pangaea. These CDIs will be issued upon Conditional Admission, and are proposed to be subject to 24 months' mandatory escrow.

Under the SPSA, Besra had the right to increase its interest in the Bau Gold Project held by NBG by payment of additional deferred consideration to Gladioli, comprising Shares and cash (see the Solicitor's Report for further information with respect to the terms of the SPSA). Pursuant to the SPSA Variation, the parties to the SPSA have agreed to vary the terms of the SPSA, with the effect that Besra is released of its obligations to acquire the remaining tranches of NBG shares under the SPSA. The key terms of the SPSA Variation are set out in Section 8.4.

2.9 Capital structure

The capital structure of the Company following completion of the Offers and the Restructure is summarised below:

The Offers ¹	Minimum Subscription	Maximum Subscription
Offer Price per CDI	\$0.20	\$0.20
Ratio of CDIs per Shares	1 for 1	1 for 1
Shares/CDIs		

The Offers ¹	Minimum Subscription	Maximum Subscription
Shares on issue as at the Prospectus Date	4,818,622	4,818,622
CDIs to be issued to the Secured Creditors under the Restructure ²	83,942,611	83,942,611
CDIs to be issued to Pre-IPO Investors under the Restructure ³	52,274,000	52,274,000
CDIs to be issued under the Noteholder Offer under the Restructure ⁴	69,844,631	69,844,631
CDIs to be issued to Gladioli in consideration for variation of existing agreement ⁵	12,500,000	12,500,000
CDIs to be issued to Pangaea for acquisition of NBG shares ⁵	20,000,000	20,000,000
CDIs to be issued to settle trade creditors	532,457	532,457
CDIs to be issued under the Public Offer	50,000,000	62,500,000
Total number of Shares and CDIs on issue at Listing	293,912,321	306,412,321
Options		
Lead Manager Options ⁶ - Canaccord	2,990,385	4,528,846
Broker Options ⁶ - Boustead	1,625,000	1,625,000
Class A Incentive Options ⁷	3,625,000	3,625,000
Class B Incentive Options ⁷	3,625,000	3,625,000
Bonus Options ⁸	2,500,000	2,500,000
Total number of Options on issue at Listing	14,365,385	15,909,846
Performance Rights⁹		
Class A Performance Rights	2,600,000	2,600,000
Class B Performance Rights	3,650,000	3,650,000

The Offers ¹	Minimum Subscription	Maximum Subscription
Total number of Performance Rights on issue at Listing	6,250,000	6,250,000
Warrants		
Warrants on issue to Forest Nominees ¹⁰	1,776,440	1,776,440
Total number of Warrants on issue at Listing	1,776,440	1,776,440

Notes:

1. See Section 2 for details of the Offers.
2. See Section 2.7(a) for further information on CDIs to be issued to the Secured Creditors under the Restructure.
3. See Section 2.7(b) for information on CDIs to be issued to Pre-IPO Investors under the Restructure.
4. See Section 2.7(d) for information on CDIs to be issued under the Noteholder Offer under the Restructure.
5. See Section 2.8 for information on CDIs to be issued to Gladioli and Pangaea.
6. See Attachment D for more information on the Lead Manager Options and Broker Options.
7. See Attachment B for more information on the Incentive Options.
8. See Attachment C for more information on the Bonus Options.
9. See Attachment E for more information on the Performance Rights.
10. Warrants on issue to Forest Nominees, a Pre-IPO investor, exercisable at \$0.12 per Share and expiring on 31 July 2021. The full terms of these warrants are set out in Attachment F.

2.10 Key dates

Set out below are key dates relating to the Offers:

Event	Date ¹
Lodgement of the Original Prospectus with ASIC	22 April 2021
Lodgement of this Prospectus with ASIC	8 July 2021
Opening Date of the Offers	12 July 2021
Closing Date of the Offers (7.00pm AEST)	26 August 2021
Settlement date of the Offers	2 September 2021
Issue of Securities under this Prospectus	3 September 2021
Despatch of holding statements and allotment confirmation notices	6 September 2021
Expected date for Shares/CDIs to commence trading on the ASX	7 September 2021

Notes:

1. This timetable is indicative only. Unless otherwise indicated, all times given are Eastern Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offers early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offers, in each case without notifying any recipient of this Prospectus or Applicants). If the Offers are cancelled or withdrawn before the allocation of CDIs, then all

Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offers open.

2.11 How to apply for CDIs under the Public Offer

You may apply for CDIs using the Application Form.

If you wish to make payment by cheque, the cheque must be made payable to "Besra Gold Inc" and crossed "Not Negotiable" and, together with the completed Application Form, mailed or delivered to the address indicated on the Application Form.

If you wish to make payment by BPAY®, complete an online Application Form at <https://besraoffer.thereachagency.com>. A unique reference number will be provided to you upon completion of the application. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

Your completed Application Form and accompanying cheque or BPAY® payment must be received by the Company's Registry by the Closing Date.

No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offers.

The Opening Date for the Offers is 12 July 2021 and the Closing Date for the Offers is 26 August 2021, or such earlier or later date as the Directors, in their absolute discretion, may determine, but subject to the one-month period referred to in Section 2.20. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

To the extent permitted by law, an Application by an Applicant under the Offers is irrevocable.

Each Applicant will have taken to have represented, warranted and agreed as follows:

- (a) it understands that the CDIs have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the United States except for certain Approved US Investors; and
- (c) it has not, and will not send, this Prospectus or any other material relating to the Offers to any person in the United States.

2.12 How to apply for CDIs under the Noteholder Offer

Unsecured Noteholders may apply for CDIs under the Noteholder Offer by signing and returning the personalised application form sent to them. The Company intends to accept any Noteholder Offer in respect of which an application form has not been received immediately prior to the close of the Offers, on behalf of the relevant Noteholder, in accordance with the authority granted to the Company under the terms of the amendment to the Notes.

2.13 How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus from the Lead Manager. Please telephone on +61 3 8688 9100 to

obtain a copy. Alternatively, you can download an electronic copy of the Prospectus at <https://besraoffer.thereachagency.com>.

Subject to Section 2.15, the CDIs to be issued under the Offers will be issued as soon as practicable after the Closing Date. It is expected that holding statements and allotment confirmation notices will be sent to successful Applicants by post on or about 6 September 2021.

2.14 Application Monies to be held on trust

To the extent required by the Corporations Act, until the CDIs are issued under this Prospectus, the Application Monies for CDIs will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest. If the CDIs to be issued under this Prospectus are not admitted to quotation within three months after the date of the Original Prospectus, no CDIs will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

2.15 Allocation policy, issue of CDIs, Listing and discretion

(a) Allocation policy

The Board in its sole discretion reserve the right to determine the allocation of CDIs under the Offers, including to reject any Application or to allocate any Applicant fewer CDIs than the number applied for. Where the number of CDIs issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

(b) Issue of CDIs

Allotment of CDIs offered by the Prospectus will take place as soon as practicable after the Closing Date subject to ASX granting conditional approval for the Company to be admitted to the Official List. The Company may, in its discretion, allot or issue certain CDIs under the Public Offer prior to the Closing Date, and hold open the Public Offer until after Conditional Admission, in order to remove any secondary sale restrictions and facilitate further secondary trading of CDIs issued in respect of the Restructure, in accordance with section 708A(11) of the Corporations Act.

It is expected that holding statements and allotment confirmation notices will be sent to successful Applicants on or about 6 September 2021.

It is the responsibility of Applicants to determine their allocation prior to trading in the CDIs issued under the Offers. Applicants who sell CDIs before they receive their holding statements or allotment confirmation notices do so at their own risk.

(c) ASX Listing

The Company has applied to ASX for admission to the Official List and quotation of its CDIs by, the ASX.

Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offers will be withdrawn and all Application Monies received

will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the official list is not to be taken in any way as an indication of the merits of the Company or the Securities offered under this Prospectus.

(d) Discretion regarding the Offers

The Company may withdraw the Offers at any time before the issue of CDIs to successful Applicants under the Offers. If the Offers, or any part of them, do not proceed, all relevant Application Monies will be refunded (without interest).

The Lead Manager and the Company also reserve the right to, subject to the Corporations Act, extend the Offers or any part of them, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than the amount applied or bid for.

2.16 Restricted Securities

The following table summarises the presently expected escrow treatment of the Securities on issue at the completion of the Offers (assuming Minimum Subscription under the Public Offer). It is presently expected that at the time of admission to the Official List, approximately 160,800,000 Securities (assuming Minimum Subscription) will be subject to mandatory escrow for periods of 12 or 24 months as set out in the table below (**Restricted Securities**), representing approximately 49% of the Shares and CDIs on issue (on a fully diluted basis, assuming Minimum Subscription) at Listing. The final escrow arrangements will be determined following consultation with ASX.

Security holder	Number of Securities to be issued	Number of Securities expected to be subject to escrow	Escrow period
Gladioli	12,500,000 CDIs under the SPSA Variation	12,500,000 CDIs	24 months from quotation
Pangaea	20,000,000 CDIs under the SPSA Variation	20,000,000 CDIs	24 months from quotation
Unsecured Noteholders who are related parties of the Company	691,701 CDIs to be issued under the Noteholder Offer	691,701 CDIs	24 months from quotation
Unsecured Noteholders who are not related parties of the Company	69,152,930 CDIs to be issued under the Noteholder Offer	69,152,930 CDIs	12 months from the date of issue
Pre-IPO Investors	52,274,001 CDIs to be issued under the Restructure	26,137,000 CDIs	12 months from the date of issue

Security holder	Number of Securities to be issued	Number of Securities expected to be subject to escrow	Escrow period
Canaccord	2,990,385 Lead Manager Options	4,528,846 Lead Manager Options	24 months from quotation
Boustead	1,625,000 Broker Options	1,625,000 Broker Options	24 months from quotation
Andrew Worland	750,000 Class A Incentive Options 750,000 Class B Incentive Options 500,000 Bonus Options	750,000 Class A Incentive Options 750,000 Class B Incentive Options 500,000 Bonus Options	24 months from quotation
Jon Morda	625,000 Class A Incentive Options 625,000 Class B Incentive Options	625,000 Class A Incentive Options 625,000 Class B Incentive Options	24 months from quotation
Mark Eaton	500,000 Class A Incentive Options 500,000 Class B Incentive Options	500,000 Class A Incentive Options 500,000 Class B Incentive Options	24 months from quotation
Paul Ingram	500,000 Class A Incentive Options 500,000 Class B Incentive Options 500,000 Bonus Options	500,000 Class A Incentive Options 500,000 Class B Incentive Options 500,000 Bonus Options	24 months from quotation
John Seton	500,000 Class A Incentive Options 500,000 Class B Incentive Options 500,000 Bonus Options 600,000 Class A Performance Rights 900,000 Class B Performance Rights	500,000 Class A Incentive Options 500,000 Class B Incentive Options 500,000 Bonus Options 600,000 Class A Performance Rights 900,000 Class B Performance Rights	24 months from quotation
Robert Dunne	250,000 Class A Incentive Options 250,000 Class B Incentive Options	250,000 Class A Incentive Options 250,000 Class B Incentive Options	24 months from quotation

Security holder	Number of Securities to be issued	Number of Securities expected to be subject to escrow	Escrow period
Ray Shaw	500,000 Bonus Options 1,500,000 Class A Performance Rights 2,000,000 Class B Performance Rights	500,000 Bonus Options 1,500,000 Class A Performance Rights 2,000,000 Class B Performance Rights	24 months from quotation
Eryn Kestel	100,000 Class A Incentive Options	100,000 Class A Incentive Options	24 months from quotation
Kevin Wright	500,000 Class A Performance Rights 750,000 Class B Performance Rights	500,000 Class A Performance Rights 750,000 Class B Performance Rights	24 months from quotation
Consultants to Besra	400,000 Class A Incentive Options 400,000 Class B Incentive Options 500,000 Bonus Options	400,000 Class A Incentive Options 400,000 Class B Incentive Options 500,000 Bonus Options	24 months from quotation

It is intended that Besra will enter into restriction agreements with, or issue restriction notices to, each of the above holders of Securities subject to mandatory escrow in the form required under ASX Listing Rules, which prevents the holders from disposing of the Restricted Securities (including any Shares issued on exercise of any Option, or Shares issued on the conversion of any Performance Right) for the applicable escrow period. The restrictions on the holder of Restricted Securities include prohibitions on selling, assigning, transferring or otherwise disposing of any interest in the Restricted Securities (or agreeing to do any of those things), granting, or agreeing to grant, a security interest over the Restricted Securities, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Restricted Securities. It is expected that the Company will satisfy the 20% minimum free float requirement for listing on the ASX.

It is intended that the same mandatory restrictions will apply to any Shares or CDIs issued upon the exercise of Options or conversion of Performance Rights held by any of the above parties.

Under ASX Listing Rule 9.5, subject to certain conditions, the Company may allow the removal of certain restrictions in respect of the Restricted Securities to enable the holder of Restricted Securities to accept a takeover bid or to enable Restricted Securities to be transferred or cancelled as part of a scheme of arrangement under Part 5.1 of the Corporations Act.

2.17 Applications outside Australia

(a) General

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus must observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Shares or otherwise permit a public offering of the CDIs in any jurisdiction outside Australia.

In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold in any country outside Australia except to the extent permitted below.

(b) Canada (British Columbia, Ontario and Quebec provinces only)

This document constitutes an offering of CDIs only in the Provinces of British Columbia, Ontario and Quebec (**Provinces**), only to persons to whom CDIs may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the CDIs or the offering of CDIs and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of CDIs or the resale of such securities. Any person in the Provinces lawfully participating in the Offers will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the CDIs in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the CDIs.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the CDIs should consult their own tax adviser with respect to any taxes payable in

connection with the acquisition, holding or disposition of the CDIs as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the CDIs (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

(c) Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of CDIs. The CDIs may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

(d) Namibia

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the Namibian Companies Act, No. 28 of 2004, and may not be distributed to the public in Namibia.

(e) New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(f) United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing

section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

(g) United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the CDIs may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The CDIs will only be offered and sold in the United States to Approved US Investors.

2.18 Commencement of trading

It is the responsibility of Applicants to determine their allocation prior to trading in Securities. Applicants trading in Securities prior to receiving a holding statement or allotment confirmation notice do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Securities before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

Securities are expected to commence trading on ASX on a normal settlement basis in accordance with the key dates at the start of this Prospectus.

2.19 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.20 Refresh document

This Prospectus is a “refresh document” as defined in section 724(3H) of the Corporations Act (as notionally inserted by ASIC Corporations (Minimum

Subscription and Quotation Conditions Instrument 2016/70) (**ASIC Relief Instrument**).

The Company makes the following statements regarding the Quotation Condition as required by the ASIC Relief Instrument:

- (a) the Company made an application for admission to quotation of the CDIs within 7 days after the Original Prospectus Date;
- (b) as at the Prospectus Date, the CDIs have not been admitted to quotation;
- (c) ASX has not indicated to the Company that the CDIs will not be admitted to quotation or will be admitted to quotation subject to certain conditions being satisfied;
- (d) the Offers remains subject to the conditions set out in Section 2.2;
- (e) the Offers remain subject to a quotation condition whereby if ASX does not admit the CDIs to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by ASIC, the Company will not allot or issue any Securities and will repay all Application Monies within the time prescribed under the Corporations Act, without interest (**Quotation Condition**);
- (f) the Quotation Condition is being amended to extend the period for admission of CDIs to Official Quotation from 3 months from the Original Prospectus Date to 3 months from the Prospectus Date;
- (g) the Quotation Condition must be satisfied by 5 September 2021, being the date three months from the Prospectus Date;
- (h) the Offers remains subject to the minimum subscription condition whereby the Company must achieve Minimum Subscription under the Public Offer by the Closing Date (which may be extended from time to time), but by no later than four months after the Prospectus Date, or such period as varied by ASIC;
- (i) no Applications have been received with respect to the Offers;
- (j) Applicants who wish to withdraw their Application and be repaid all Application Monies paid (without interest), shall have 1 month to do so from the Opening Date, that is from 12 July 2021 until 12 August 2021 (**Withdrawal Period**);
- (k) the Offers will remain open until at least the end of the Withdrawal Period; and
- (l) Applicants can withdraw their Application during the Withdrawal Period by providing a written request to the Company at Level 11, 172 St Georges Terrace, Perth, WA 6000 by 5:00pm (AWST) on 12 August 2021. The details for the payment of the refund cheque and address it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant. All Application Monies paid by the Applicant (without interest) will be refunded.

2.21 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for

Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Public Offer can be directed to the Lead Manager, Canaccord Genuity (Australia) Limited, on +61 3 8688 9100.

3 Company and Project Overview

3.1 Introduction

This Section 3 provides high level summaries of Besra's corporate structure and the Bau Gold Project. This Section should be read in conjunction with the Independent Technical Assessment Report (**ITAR**) in Attachment H and the Malaysian Solicitor's Report in Attachment G.

3.2 Corporate History

Besra was incorporated under the laws of the Province of Ontario, Canada on July 4 1951 originally under the name "Metina Developments Limited". On November 5 1992 it reincorporated under the Company Act (British Columbia) as "Olympus Holdings Ltd." with a name change to "Olympus Pacific Minerals Inc." (**Olympus**) on November 29 1996. Olympus was listed on the Toronto Stock Exchange (**TSX**) and New York based Over-The-Counter market (**OTCQX**). Following an amalgamation of a wholly-owned subsidiary of Olympus in December 2009 with Zedex Minerals Limited (**Zedex**), a company incorporated in New Zealand, Olympus commenced trading as a foreign company on the ASX in February 2010.

It was through the amalgamation of a wholly-owned subsidiary of Olympus with Zedex that Olympus acquired its interest in the Bau Gold Project (as well as mining assets in the Philippines, Australia and Vietnam, which have subsequently been disposed of). In November 2012, Olympus changed to its present name, Besra Gold Inc.

Besra's mining operations in Vietnam underperformed, due in part to damage caused by a typhoon and disputes with provincial authorities. As a consequence, Besra failed to lodge mandatory filings with regulators within the prescribed deadlines. Besra's Shares, were delisted by the securities regulators in the Provinces of Ontario, British Columbia, Alberta and Québec (**Commissions**) in late 2014 and early 2015. In 2014, Besra sought the protection of administration and consequently its shares were also delisted from the OTCQX in October 2014 and from the ASX in August 2015.

Following these delistings, and with insufficient working capital to sustain its operations, Besra commenced corporate restructuring proceedings under Canadian law, including a Notice of Intent to submit a proposal to Creditors under the Bankruptcy and Insolvency Act in October 2015. In May 2016, the Company agreed terms with Pangaea Holdings Limited (assigned to Pangaea Resources Limited (**Pangaea**)) whereby Pangaea Holdings Limited undertook a C\$10 million investment, under exceptions to the Commissions' cease trade orders. Pangaea is a special purpose vehicle formed for the clients of Jocelyn Bennett, a Swiss fiduciary, to invest in Besra. A condition of this financing was the requirement that the Company sell, transfer or otherwise dispose of its interests in Vietnam.

On 23 May 2017, at a special meeting, Shareholders agreed to the sale of the Company's interests in the Phuoc Son Gold Project and the Bong Mieu Gold Project, both located in Vietnam. Prior to this, during the 2015 and 2016 financial years, the Company terminated its interests in several other exploration projects, including the Capcapo Project in the Philippines.

Today, the business of Besra and of its subsidiaries, consists solely of interests in the Bau Gold Project.

Following agreements with its creditors, which involved the issue of the Notes, Besra emerged from administration and in early 2018 applied to the Commissions for a revocation of their cease trade orders. In September 2018, the Company filed the necessary continuous disclosure documents and on 8 November 2018 it announced that the Commissions had granted a full revocation of the cease trade orders.

The Company was subject to a failure-to-file cease trade order in early 2020 for its failure to lodge mandatory filings on time for the year ended 30 June 2019. Subsequently, the Company announced on 21 April 2020 that this order had been revoked following filing of the necessary documentation. At the Prospectus Date, Besra is compliant with all of its securities obligations.

3.3 Corporate structure

As described below, Besra's interest in the Bau Gold Project is held through its direct and indirect interests in North Borneo Gold Sdn Bhd (**NBG**). Further background on the entities in the Group is contained in Section 3.4.

As at the Prospectus Date, Besra controls a 92.0% interest in NBG and has an equity-adjusted interest of 87.1% of NBG, as set out below.

NBG shareholder	NBG Shares held	Interests in NBG	Besra controlling interest	Besra interest in NBG shareholder	Besra equity-adjusted interest in NBG
BML	137,500	55.0%	55.0%	91.0%	50.1%
BLL	92,529	37.0%	37.0%	100.0%	37.0%
Gladioli	19,971	8.0%	-	-	-
Total	250,000	100.0%	92.0%	-	87.1%

At the completion of the Offers (and therefore, completion of the SPSA Variation as set out in Section 8.4), Besra will control a 97.8% interest in NBG and have an equity-adjusted interest of 92.8%, as set out below.

NBG shareholder	NBG Shares to be held	Interests in NBG	Besra controlling interest	Besra Interest in NBG shareholder	Besra equity-adjusted interest in NBG
BML	137,500	55.0%	55.0%	91.0%	50.1%
BLL	106,948	42.8%	42.8%	100.0%	42.8%
Gladioli	5,552	2.2%		-	-

NBG shareholder	NBG Shares to be held	Interests in NBG	Besra controlling interest	Besra Interest in NBG shareholder	Besra equity-adjusted interest in NBG
Total	250,000	100.0%	97.8%	-	92.8%

The corporate structure of Besra and its subsidiaries following Listing is set out in Figure 1 below.

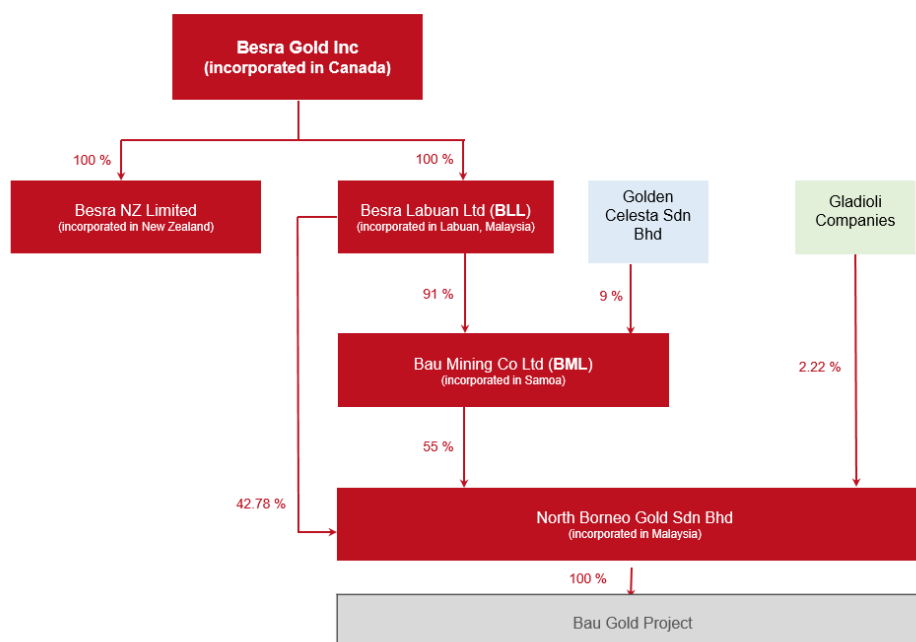


Figure 1 Corporate structure diagram showing Besra and its subsidiaries

3.4 Bau Gold Project structure

Besra's initial interest in the Bau Gold Project stems from a joint venture and earn-in agreement between Zedex and the Malaysian mining group, Gladioli (and certain of the Gladioli Companies). References to Zedex and Olympus in this Section are references today to Besra.

Gladioli was formed on 28 August 1982. Under the terms of that agreement, Zedex could acquire a 50.5% interest in the Project, via the acquisition of shares in NBG (then known as Natural Kalimantan Gold Sdn Bhd). NBG was established as a special purpose vehicle by Gladioli to hold all of its direct and indirect interests in the Bau Gold Project as part of establishing the joint venture structure.

Zedex subsequently acquired its 50.5% interest (by acquiring 137,500 shares in NBG) through a similar special purpose vehicle, Bau Mining Limited (BML), a company incorporated in Samoa.

Zedex is a 91% majority shareholder of BML, with the remaining 9% held by Golden Celesta, a Malaysian incorporated company the principals of which introduced Zedex to the Bau Gold Project opportunity.

Olympus acquired the BML interests following its amalgamation with Zedex.

Through an amended SPSA signed in October 2010, Olympus acquired the right to earn up to a 93.55% interest in the Bau Gold Project from Gladioli. The SPSA was amended and restated in 2016. The additional Bau Gold Project interests earned by Besra are currently held by its wholly owned subsidiary (now known as Besra Labuan Limited (**BLL**)). BLL owns 92,529 shares in NBG. The current terms of the SPSA under the SPSA Variation are set out in Section 8.4.

3.5 Bau Gold Project Background

As outlined in the ITAR contained in Attachment H, mining in the Bau district has a long history dating back centuries and more reliably recorded from the 1820s.

Besra's business strategy and Mineral Resource pursuits extend across four concessional areas, collectively covering approximately 1,340km² of Sarawak, being the Bau Gold Project (consisting of Blocks A and B), Rawan and Serian (Block C). Containing no identified prospects or Resources, both the Rawan and Serian concessional areas are viewed as greenfield exploration opportunities. In that sense, they contrast markedly with the Bau Gold Project's Blocks A and B, which contain substantial delineated gold Resources, as well as brownfield exploration projects, across an area that contains a combined JORC 2012 compliant Resource, on a 100% basis, of 72.61Mt at 1.43g/t Au for 3.33Moz of gold (See Attachment H). Throughout this Prospectus, the "Bau Gold Project" refers specifically to Blocks A and B, broadly covering an 8 x 15km land corridor centred on the township of Bau. A detailed geotechnical account of the Bau Gold Project, as well as summaries of the Rawan and Serian areas, is contained in the ITAR.

The Bau Gold Project's Resource inventory is the culmination of more than three decades of exploration conducted by numerous parties, including Besra's antecedents, Zedex and Olympus. Reflecting this, a very significant technical database has been compiled for Blocks A and B, which includes:

- approximately 250,000m of reverse circulation drilling and drill hole data;
- comprehensive geophysical survey data, including magnetics;
- detailed geological mapping, surface and trench based geochemical survey data;
- detailed metallurgical study results;
- detailed processing study results;
- environmental benchmark studies;
- engineering studies, including pit and tailings design; and
- feasibility and scoping studies.

In 2013, Besra completed a NI 43-101 compliant Feasibility Study (**Feasibility Study**) in relation to the Jugan Bukit-Young Project, which is one project within the broader Bau Gold Project (Section 3.10).

3.6 Locational Attributes

Besra's mining assets are all located on the island of Borneo, in Sarawak, a State within the Federation of Malaysia. Kuching, Sarawak's capital, lies approximately 30 to 40km from the centre of the Bau Gold Project.

Because of its proximity to Kuching, the Bau Gold Project benefits greatly from its access to significant infrastructure, including all weather sealed roads with connections to deep water ports and the international airport, reticulated grid power, wireless and general communication networks, and a variety of service providers. The Bau township itself is the local service centre and an important source for skilled labour, earth moving equipment, accommodation, general provisions and services.

Plains surrounding the Sarawak River system have been extensively cleared for rice paddies, rubber and palm oil plantations as well as mixed agrarian land use.

3.7 Regulation of mining

The Solicitor's Report contained in Attachment G contains further information with respect to the mining legislation and mining framework in Sarawak and Malaysia.

3.8 Bau Gold Project - Blocks A & B

(a) Permit Position

The Bau Gold Project comprises the following Permits or applications for Permits held by certain of the Gladioli Companies:

- 11 Mining Leases (**MLs**);
- 10 Mining Certificates (**MCs**);
- seven Exclusive Prospecting Licences (**EPLs**); and
- three General Prospecting Licences (**GPLs**).

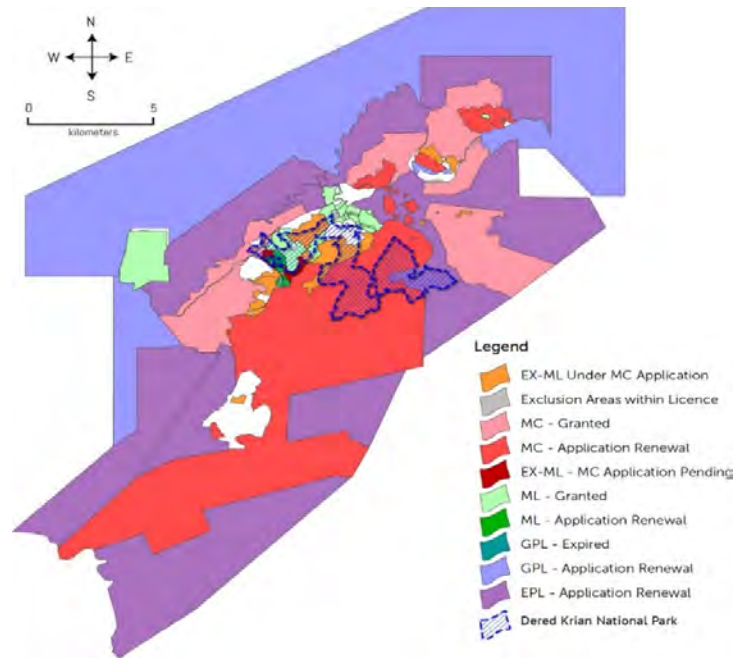


Figure 2 Bau's Blocks A and B showing illustrating the type and status of encompassing concessions and location of the Dered Krian National Park (blue cross-hatching).

As shown in Figure 2, these Permits have been either applied for, granted, or are pending renewal. Details of these Permits, and Besra's interests in these Permits, are outlined in the Solicitor's Report in Attachment G.

(b) Dered Krian National Park

The Joint Venture has been advised by the Ministry of Urban Development and Natural Resources in 2018 of its intention to revoke four Mining Leases within the Bau Gold Project, totalling 252.4Ha. These four Mining Leases encroach upon the newly gazetted boundaries of the DKNP, as shown in Figure 2.

The Joint Venture submitted a proposal in August 2018 seeking to voluntarily surrender the portions of the Mining Leases which encroach upon DKNP in return for retaining the remaining portions of the Mining Leases or reapplying for new Mining Leases over those remaining portions. As at the Prospectus Date, the relevant authorities have not notified the registered title holders of any further developments.

Should the land within the DKNP be surrendered, then the Bau Gold Project's global Resource would be reduced from 3.3Moz to approximately 3.02Moz. If the four relevant Mining Leases are forfeited in their entirety, the Project's global Resource would be reduced to approximately 2.6Moz. The Company believes this to be the more unlikely outcome because it would reapply for appropriate tenure over those lands within the four Mining Leases not lying within the DKNP. As at 31 March 2021, inspection of the Registry at the Land Office did not reveal that any memorial of forfeiture had been registered in relation to any of these four Mining Leases (as specified in s.60 of the Minerals Ordinance). Nevertheless, should forfeiture be effected it will not impact upon the business strategy work program which, as outlined in Section 3.13, does not involve any of these four Mining Leases.

The Company does not consider the surrender of those areas contained within the four Mining Leases subject to forfeiture and impacted by the DKNP would be material to the ultimate development of the Bau Gold Project given that none of its current business strategy objectives are reliant upon access to these areas. Further discussion of this potential risk is set out in Section 7.2(b).

(c) Future exclusion

The parties to the SPSA voluntarily entered into a supplemental agreement in November 2016, providing for the exclusion from a number of Permits in limited areas which are to be ear-marked for future development of affordable housing (as outlined in the Solicitor's Report). This would result in the parties to the SPSA agreeing to effectively relinquish further mining rights within the intended excluded areas at such future time. These areas are located in portions of ML 1D/136/ML/2008, ML 1D/137/ML/2008; MC KD/1/1994, ML 142/1D; ML 01/2013/1D, and ML 03/2012/1D, and these portions of the relevant Permits do not encompass any delineated Resources. Therefore, their exclusion from these Permits will have an immaterial impact on the Bau Gold Project.

(d) Renewal of Permits

Additionally, unlike Australian mining jurisdictions, administrative and regulatory decisions in Sarawak can take several years to finalise. The Joint Venture currently has a pending renewal application with respect to MC KD/01/1994 (which hosts a considerable Resource inventory within the Pejiru sector), that was lodged in February 2013 and subsequently amended in October 2013. That amendment sought to have the renewal issued as four separate titles (see the Solicitor's Report).

3.9 Geology

(a) Regional Setting and Stratigraphy

The Bau Gold Project lies at the western end of the arcuate metalliferous belt extending through the island of Borneo. In Kalimantan (the Indonesian jurisdiction portion of Borneo), this belt is associated with significant gold mining areas including Kelian (7Moz) and Mt Muro (3Moz). Plate tectonic reconstructions imply that it formed as a result of a northeast facing fore-arc and subduction – convergence system located along the nascent margin of Borneo during the Jurassic and Cretaceous periods. Sediments of the fore-arc's accretionary prism provided metallic and sulphidic sources which would later endow the mineralised deposits of this belt, including those at Bau.

Relevant details of Bau's geological setting, stratigraphy, structural history and mineralisation are described in the ITAR (see Attachment H). In summary, basement lithologies at Bau comprise Triassic aged Serian Volcanics and the Early Jurassic Jajoi Granodiorite. Unconformably overlying basement is a sedimentary package comprising two formations: the Late Jurassic – Early Cretaceous Bau Formation and the Late Jurassic – Late Cretaceous Pedawan Formation.

The Bau Formation consists of two members; a basal, Late Jurassic, transgressive sandstone and conglomeratic unit, of up to 100m in thickness, known as the Krian Member, overlain by a massive limestone unit of up to 500m in thickness known as the Bau Limestone Member. It is this limestone which forms the karst topography so prominent throughout the Bau district. The Pedawan Formation is a flysch sequence, however, in the Bau district it is composed mainly of shales with minor, but persistent, arenaceous and conglomeratic units, that combined reach a maximum thickness of approximately 1500m. Subsequent uplift and erosion has

restricted the Pedawan Formation's present-day distribution to lower elevation fluvial settings throughout the Bau district.

Tertiary igneous activity, ranging in age from late Oligocene to late Miocene, is related to widespread emplacement of the Sintang Volcanic Suite. This suite is composed of mainly calc-alkalines, preferentially intruded as stocks, sills and dykes along late stage extensional (D4) trends including the Bau trend. Elemental compositional studies indicate that these intrusives are likely local apices of a larger, deeper, intrusive body; an interpretation consistent with geophysical modelling of magnetic data which predicts a magnetic body located at depths exceeding 2km, beneath and roughly coincident with the Bau Anticline.

A Mid-Tertiary age for the plutonic emplacement is broadly contemporaneous with the age of mineralisation throughout the Bau district. The connection between this deeper plutonism and shallow mineralisation endowment is related to the accompanying intrusion of shallow apices and upward movement of associated hydrothermal fluids. This preferentially occurred in dilatational zones, particularly those of the extensional D4 trends. These trends coincide with deep seated faulting, which provided breaching mechanisms through the relatively impermeable overlying Bau Limestone and Pedawan Formation, enabling development of Bau's shallow mineral endowment, which is dominated by a strong structural imprint and a dominantly refractory or Carlin style of mineralisation.

(b) Mineralisation Model

Isotope studies confirm the most likely source of mineralisation at Bau are metals derived from sulfidic, pelagic muds and shales - distal equivalents of the Pedawan Formation. Initially these were transported in thio-complexes during dewatering and re-deposited at higher structural and stratigraphic levels within the accretionary prism. Obduction during the Cretaceous rapidly increased sediment loading, creating an environment of higher temperatures and overpressuring. Subsequently, the D4 extensional event triggered rapid pressure reduction causing hydrous, partial melting of the more deeply buried Pedawan Formation sequences and upward plutonic intrusion. This process explains why the observed geochemical sulphide lead isotope and REE signatures of the Pedawan Formation are identical to the mid-Tertiary intrusives and related mineralisation.

As outlined in the ITAR, Carlin style mineralisation dominates within the Bau district, although it is but one of four important styles recognised.

3.10 Feasibility Study

The primary objective of Besra's Feasibility Study was to ascertain whether Bau's dominant refractory style of gold mineralisation could support commercial development. The study considered a stand-alone open pit development at Jugan, involving Jugan ore feed-stock with a minor contribution from the Bukit Young-Krian pit, these pits being selected because they had the largest proportions of Measured and Indicated Resources at that time.

The Feasibility Study reported historical Ore Reserve estimates which were based on a development scenario for the Project which was being contemplated by the Board at the time of undertaking the Feasibility Study, but which no longer forms part of the business strategy of the Company. The current Board considers that given the Feasibility Study was undertaken seven years ago, the underlying capital and operating expenditure assumptions, commodity price assumptions and the base assumption of a four-year life of mine are no longer current or material, and accordingly, the Company has not restated the estimate of Ore Reserves emanating from the Feasibility Study in this Prospectus.

Most importantly, however, this Feasibility Study provided important guidance for designing future studies seeking to optimize commercial development. Overall, base case profitability modelling was shown to be sensitive to even small increases in the ore head grade. Likewise, increases in the available Resource inventory, thereby extending life of mine scenarios, as well as higher commodity price regime assumptions, substantially improved modelled profitabilities because of their respective impacts on rates of return for the initial capital expenditures.

3.11 JORC Code 2012 Resources and Exploration Targets

(a) Mineral Resource

A detailed assessment of the Exploration and Resource database of the Bau Gold Project is contained in the ITAR. The current JORC Code 2012 compliant Resources contained within the Bau Gold Project and segregated into six discrete deposits, is shown in the table below. Details of the geology and nature of mineralisation within each of the deposits are also contained in the ITAR.

JORC Code 2012 Mineral Resources – Bau Gold Project (100% basis)

	Category	Tonnes	Grade (g/t)Au	Oz Au (100% basis)
Pejiru	Inferred	25,798,000	1.20	997,800
Jugan Hill	Measured	3,405,600	1.52	166,900
	Indicated	14,505,700	1.51	703,600
	Inferred	1,774,000	1.57	89,800
Sirenggok	Inferred	8,346,000	1.14	306,760
Bekajang	Indicated	1,857,000	2.02	120,400
	Inferred	10,638,000	1.53	524,100
Taiton	Indicated	1,517,000	2.75	134,500
	Inferred	3,419,000	1.75	192,900
Say Seng	Inferred	1,354,000	1.63	70,900
Totals	Measured	3,405,600	1.52	166,900
	Sub-total Measured and Indicated	17,879,700	1.67	958,000
	Inferred	21,285,300	1.64	1,124,900
	Total	51,329,000	1.32	2,181,600

(b) Exploration Target

In 2021, Besra reported an Exploration Target in accordance with the JORC Code 2012 for Bau's Blocks A and B specifically associated with known Resources within

five sectors of the Bau Gold Field. As shown in the table below, the aggregate total of these is estimated to range between 4.9Moz to 9.3Moz (on a 100% basis). It should be noted that the potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource. A detailed explanation of the basis for the exploration target for each deposit is set out below.

JORC Code 2012 Exploration Target of a further 4.9 to 9.3Moz

Deposit	Tonnage Range (Mt)		Grade Range (g/t Au)		Gold Potential (Moz) ¹	
	From	To	From	To	From	To
Jugan Hill*	34	40	1.82	2.50	2.0	3.2
Say Seng*	7	10.5	1.42	1.60	0.3	0.5
Sirenggok*	8	11.4	1.82	4.25	0.47	1.56
Bekajang	4	5	4	5.5	0.50	0.80
Pejiru*	30	42	1.76	2.44	1.7	3.3
Combined:	87	112.9	1.74	2.55	4.89	9.27
* Figures relate to weighted averages of multiple Exploration Targets within the deposit.						

(i) Jugan Hill

The existing Jugan Hill Resource wireframe and deeper drilling supports potential for additional mineralisation at depth and conceptually increasing grades as the ore zone becomes progressively more constrained towards the underlying contact with the Bau Limestone. As illustrated in ITAR Figure 10-2 drilling down-dip therefore offers potential for higher grades and additional gold endowment beyond the current extent of drilling. Extrapolating wireframe beneath the plunge of the existing wireframe Resource by a further 200m implicates a volume geometrically akin to a trapezoidal prism. Assuming an average cross-sectional area for the top and base of this prism of 350m², a thickness range of 20m to 30m and an average density of 2.6t/m³ this equates to a contained rock tonnage range of 4Mt to 6Mt. Applying a range of grades (6g/t to 8 g/t Au) reflective of deeper drill hole intersections (ITAR - Figure 10-2 this equates to an Jugan Deep Exploration Target of between 0.7 to 1.5Moz Au.

Additional Exploration Target is estimated within the A12 Prospect, located adjacent to the Jugan Hill deposit. As shown in ITAR Figure 10-3, the surface dimensions of the A12 Prospect are defined by coincident anomalies including IP, which at Jugan Hill shows good correlation with the corresponding extent of the Resource wireframe. On that basis, the A12 Prospect Exploration Target is estimated to encompass a rock volume of 325m to 375m x 100m x 350m which, when assigned an average density of 2.6t/m³, equates to a contained rock tonnage range of 30Mt to 34Mt. Applying a range of gold mineralisation grade consistent with that encountered at shallow levels of the nearby Jugan Hill deposit (1.4g/t to

1.6g/t), this is equivalent to an A12 Exploration Target for 1.3 to 1.7Moz Au, respectively.

(ii) Say Seng

The Exploration Target estimate for Say Seng is based on two specific locations; the Say Seng deposit extension and Bukit Sarin deposit extension.

Drilling confirms that mineralisation at Say Seng remains open in the up-dip, down-dip and along strike directions and by implication includes the shallower Pedawan Formation preserved down-dip to the south and southwest as well as within the deeper Bau Limestone including sandstones of the Krian member. By extrapolating the existing mineralisation along the structural trend of the Say Seng Fault Zone for a distance of some 400m and 300m inboard of the porphyritic intruded western fault margin (ITAR – Table 1), and applying across this area the typical mineralised thickness based on mineral drilling intersections within the Resource wireframe, together with recorded open pit and underground historical workings, an appropriate average thickness range of 3m to 5m, is estimated. This defines a rock volume of 0.36 to 0.6 million m³, which, assuming an average density of 2.6t/m³, equates to a tonnage range of approximately 1.0 Mt to 1.5Mt. With representative gold mineralisation grades ranging between 2.5g/t to 3.5g/t (based on the Resource wireframe modelling) this equates to an Exploration Target of 0.08Moz to 0.16Moz Au.

At Bukit Sarin, mineralization is likewise anticipated to extend beyond the current Inferred Resource wireframe based on the extent of the soil Au anomaly and drilling results along the Kojok Fault trend (ITAR – Table1). In total, this defines the area of approximately 500m x (225 to 300m). This, assuming a total mineralised thickness and an average density of 2.6t/m³, equates to an equivalent contained rock tonnage range of 6.0 Mt to 9.0 Mt. Applying a representative gold grade range of 1.2g/t to 1.3g/t, this is equivalent to an Exploration Target of 0.25 to 0.37Moz Au.

(iii) Sirenggok

Reflecting the Inferred classification of the Resource at Sirenggok (ITAR Section 7.5, Table 7-1), the drilling density is modest and mainly confined to the mineralised zone which, as illustrated in ITAR Figure 7-2, remains open both at depth and along structural strike (northeast-southwest). Estimates of the Exploration Target have been made for two areas – Sirenggok Resource extensions and Deep Resistivity Anomaly.

Extrapolating beyond the Resource wireframe, an Exploration Target area associated with extensions of the Sirenggok Resource extension is defined across an approximately 1000m x 400m footprint, coincident with the enclosing envelope for the Dighem resistivity anomaly cluster, magnetic anomalies and partially coincident soil geochemistry anomalies - particularly extending along strike to the southeast (ITAR – Table 1). Assuming a range of mineralisation thicknesses of between 7m to 10m within this area, but excluding areas covered by the existing Resource wireframe, and a density of 2.6t/m³, this equates to 7.0 Mt to 10.0 Mt. Applying a range of gold grades, representative of those encountered within the Resource wireframe, of between 1.1g/t and 3.0g/t, the Exploration Target associated with Resource Extension is therefore estimated to range between 0.28 to 1.2Moz Au.

A Deep Resistivity Anomaly has been recognised, on the basis of a Dighem survey, to be located approximately 200m west of the Sirengkok Resource wireframe (ITAR – Figure 7-2). The anomaly is northeast-southwest oriented and steeply dipping, suggesting structural control by the Krian Fault, which is implicated with the Tai Parit mine deposit. Historical drilling, albeit limited scout drilling, indicates at least some sulphidic mineralisation association of this anomaly. Based on extrapolating mineralisation across the extent of this resistivity anomaly, 450m to 625m strike length by 300m depth with an average of 3m width, a volume of 450,000 m³ to 562,500 m³ is circumscribed. Assuming a density of 2.6 t/m³, this equates to a contained rock tonnage range of 6.0 Mt to 8.0 Mt. Applying representative grades of 6.0 g/t to 8.0 g/t Au, based on those intersected by deeper scout holes, this is equivalent to an Exploration Target of 0.19 to 0.36 Mil oz Au.

(iv) Bekajang

At Bekajang, the Bukit Young pit has a style of mineralisation similar to that of the adjacent Tai Parit pit - a hydrothermal fluid feeder zone, whose position is controlled by cross faulting dilation (ITAR Section 10.1.4). However, increasing grade with depth relationships have yet to be established beneath the Bukit Young Pit mainly because of the historical shallow drilling. The recording of a strong conductivity depth image (CDI) anomaly beneath this pit, similar in size to one recorded across the Tai Parit mine pit (ITAR Figure 10-6) raises the potential for underlying mineralisation. However, this concept remains to be adequately tested beneath the Bukit Young Pit mainly because of the historical shallow, and limited, extent of drilling. For this reason, an Exploration Target is perceived beneath the current depth extent of the existing Resource wireframe only within the Bukit Young pit where it coincides with the footprint of the CDI anomaly (ITAR Figure 10-6).

For present purposes, the Exploration Target is estimated using a density of 2.6 t/m³, and a grade range of between 4.0g/t Au to 5.5g/t Au, in part based on the similarities of the Bukit Young pit with Tai Parit (ITAR Section 10.1.4) where average ore grades at Tai Parit of 7g/t were recorded over the life of mine (ITAR Section 5.2.1). Reducing the footprint of the CDI anomaly shown in ITAR Figure 10-6 by the overlap equivalent of the existing wireframe Resource and existing drilling a conservative range of 10,000m² to 15,000m² is assumed for the mineralised footprint, which with a maximum thickness of 150m results in a combined rock volume having an approximate contained rock tonnage range of 4Mt to 5Mt. Based on the assumed density this coincides with an Exploration Target for the Bukit Young Pit equivalent to 0.5Moz to 0.8Moz Au.

(v) Pejiru

As Inferred Resource at Pejiru (ITAR Section 6.5 Table 6-1) is based on extensive drilling (>50,000m) and comprehensive geophysical coverages. Together this data supports the potential for additional mineralisation and provide the basis for an Exploration Target, based on the geological model in two specific settings – shallow sediment disseminated and deeper “feeder” associations.

A large proportion of the Inferred Resource at Pejiru is associated with laterally extensive, flat lying zones of mineralised limestone, 15m to 20m thick, extending along strike for some 1,500m length (ITAR Figure 6-1). Mineralisation varies in width between 50m to 150m and occurs at shallow depths. A comparison with geophysical anomalies, most notably conductivity

anomalies, reveals that they are not only coincident with the existing mineralisation, as defined by the Resource wireframe, but extend beyond its footprint. This forms the basis for extrapolating the potential for more extensive sulphidic mineralisation beyond that delineated by the current Resource drilling which, as illustrated in ITAR Figure 10-1, does not constrain the limits of mineralisation in either the strike or dip directions.

The associated Exploration Target is conservatively estimated to cover a total area of 0.75km², based on the extension of geophysical anomalies. Applying to this area the average mineralised thickness range of 13m to 18m, evidenced on mineralised intersections of the adjacent wireframe Resource estimates, and likewise adopting typical rock density, 2.6t/m³, the corresponding contained rock tonnage ranges between 25Mt and 35Mt. Assuming an average grade of shallow mineralisation intersected across the Pejiru Deposit, 1.4g/t to 1.6g/t (with a global average of 1.2g/t), this Exploration Target is estimated at between 1.1Moz and 1.8Moz Au. This higher grade is considered conceptual and no work has been done to determine the accuracy of this grade assumption, it being based on the assumption that future drilling of this Exploration Target will be guided by higher grades encountered in the historical drill intersections (such as reflected in the average of 1.59 g/t estimates to Inferred Resources at Pejiru's Kapor Prospect (ITAR Table 6-1) although no work has been done to determine the accuracy of this increased grade assumption.

Exploration Targets for deeper "feeder" systems are based on the association of mineralisation within these intrusions which typically occurring at cross-dilatationary fault intersections are assumed to have sub-vertical cylindrical geometries. If these are assigned a typical 60m diameter surface footprint and a 200m thickness (based on the size of anomaly footprints and Tai Parit mine geometry) this implies a typical contained rock tonnage of 1.5Mt, assuming an average density of 2.6t/m³. Although there is a general paucity of deeper drill hole data across the Pejiru Deposit grades of 4g/t to 6g/t are assumed. This higher grade range is consistent with grades of mineralisation encountered in these settings including average ore grades at Tai Parit of 7g/t recorded over the life of mine (ITAR Section 5.2.1). However, this grade range is considered conceptual and no work has been done to determine the accuracy of this assumption within these feeder system settings. Applied to the estimated tonnage of 1.5Mt this equates to a range of approximately 200,000oz and 300,000oz Au per feeder system. As shown in ITAR Figure 6-6, 15 feeder systems conduits are so far identified. Assuming that between 3 and 5 of these 15 feeder system conduits prove to be mineralised, the Exploration Target for Pejiru's deeper feeder gold mineralisation is estimated to range between 600,000 oz and 1.5Moz Au.

3.12 Business strategy

Following Listing, Besra's business strategy is to enhance the intrinsic value of Shareholder's interests, by optimising the development opportunities of the Bau Gold Project, through implementing a work program which will focus on the key areas outlined in this Section 3.13.

This business strategy is largely guided by insights gained from the Feasibility Study and subsequent internal studies, which consistently highlighted the potential for superior commercial outcomes, relative to the base case assumed in that feasibility study, through the upscaling of mine development and extension of the overall life of mine. Given the predominately refractory nature of the Bau gold ore, fundamental to unlocking this potential is the establishment of a larger global

Resource, including increasing the proportion of both Measured and Indicated categories and global ore head-grade.

Besra's business strategy work program, as outlined further below, and as shown in Figure 3, will initially be undertaken only within four Mining Leases ML 134, ML 140, ML 143 and ML 01/2013/1D which have fully granted status as well as within the Pejiru Sector of MC KD/01/1994 where it is possible to continue working whilst a renewal determination is pending (see the Solicitor's Report). None of these tenements are impacted by the DKNP.

3.13 Work Program Activities

Following Listing, Besra's business strategy work program will be focused on the following key areas:

- Resource delineation – aiming to increase the average gold grade and the global Resource inventory including increasing the relative proportions of Measured and Indicated categories;
- metallurgical studies - evaluating ore characteristics, both laterally and vertically, across known Resource deposits in order to identify compositional variations and the most suitable ore feed-stock for future development potential;
- processing studies - evaluating critical components of the ore processing stream, to optimise gold recovery based on the metallurgical studies of potential ore feed-stock, including potential single and blended sources, as well as end-products including export concentrates and doré;
- upgrading feasibility studies - incorporating inputs from Resource delineation, metallurgical and processing studies and updated CAPEX and OPEX estimates; and
- regulatory compliance management - co-ordinating legislative and regulatory requirements. In particular, managing existing Permit interests and expediting pending renewals and applications as well as environmental, community, operational management, rehabilitation and health and safety and other systems necessary to support in country activities and company policies.

The anticipated expenditures for each are aggregated in the Use of Funds tabulation under the line item "Exploration, Evaluation & Development" in Section 2.6.

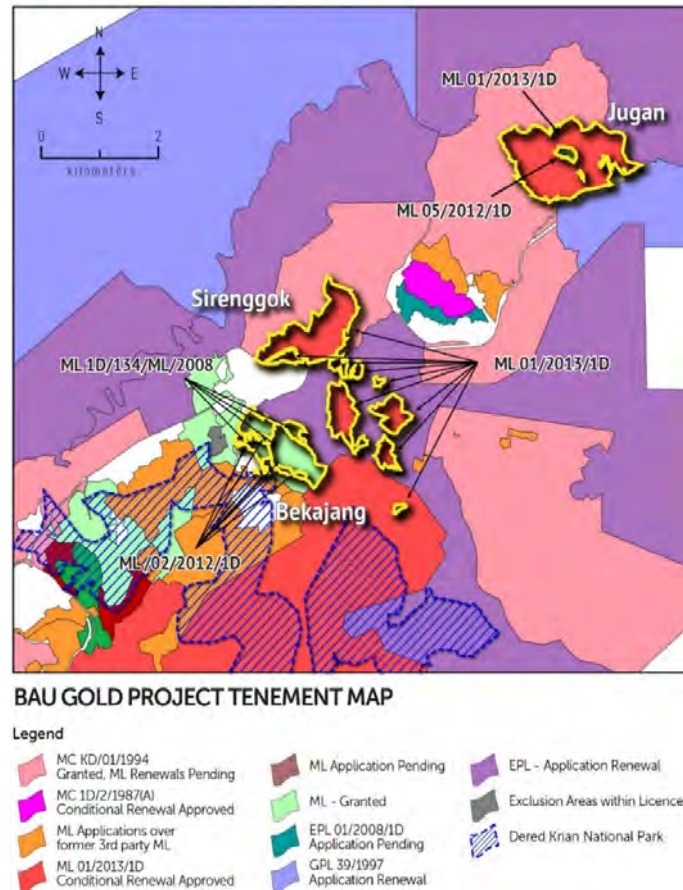


Figure 3 Tenement locations (highlighted in yellow borders) where the work program will be focused. The DKNP boundaries are shown highlighted in blue.

(a) Resource Delineation

Exploration to increase the Resource inventory, as well as increasing the global head-grade and proportions of Measured and Indicated categories, will be focused on the Bekajang, Sirenggok and Jugan sectors of Blocks A and B and within Mining Leases ML 134, ML 140, ML 143 and ML 01/2013/1D as well as within the Pejiru Sector of MC KD/01/1994. Each of these hosts not only significant delineated Resources but also, based on the recognised Exploration Targets, substantial potential for increasing overall inventories.

(i) Bekajang Sector

Bekajang is a highly prospective area with nearly 650koz of Inferred and Indicated Resources (ITAR – Section 5) and an Exploration Target estimated at between 0.5Moz and 0.80Moz. Focused on the Bukit Young-Krian Pit, it is considered to occupy a geological setting similar to the adjacent Tai Parit pit; a hydrothermal fluid feeder zone, whose position is controlled by cross faulting dilation.

Following Listing, the drill program will be conducted within ML 134 and ML 143 and will entail:

- shallow infill and step out drilling to establish the continuity and extent of mineralisation on the southern and eastern margins of the Bekajang Tailings Dam across the extent of ML 134 and ML 143 of up to 2,000m subject to capital raised; and
- reconnaissance drilling to investigate deeper mineralisation beneath the Bekajang Tailings Dam, initially involving 750m of drilling with a further 750m of further delineation drilling, as the initial drilling results warrant.

(ii) Sirenggok Sector

The Sirenggok deposit lies approximately 1.5km northeast of the Bau township, midway between Say Seng and the historic Tai Parit open-pit mine, at the southwestern extremity of the Jugan mineralisation trend. The Sirenggok Resource lies within ML 01/2013/1D and MC KD/01/1994.

With an existing Resource inventory of approximately 300koz (see Table 3-1 in the ITAR – Section 7) and an Exploration Target estimated at between 0.39Moz and 1.56Moz, the post-Listing drilling program will entail:

- increasing the Resource Inventory within ML 01/2013/1D by drilling infill and step-out holes in order to extend the current mineralisation which is open down-dip and along strike of up to 2,500m subject to capital raised; and
- evaluating the mineral potential of surrounding localised geophysical anomalies, by drilling several holes, to 100m to 150m depth within ML 01/2013/1D, where previous reconnaissance drilling has intersected mineralisation but at a spacing too sparse to qualify for Resource classification. These include the Deep Resistivity Anomaly and strike and depth extensions of existing Resource.

(iii) Jugan Sector

The Jugan Sector includes the Jugan Hill deposit and a prospect referred to as Anomaly 12 or A12. It contains a Resource inventory of 0.96Moz with the highest proportion of Measured and Indicated (combined 0.86Moz), as well as the largest Exploration Target (2.0Moz to 3.0 Moz). The subject of the previously completed Feasibility Study, Jugan Hill is the most advanced project within the Bau Gold Project's Blocks A and B, containing JORC Code 2012 compliant Resources (see the table set out in Section 3.11(a)). A detailed description of the geology and prospectivity of the Jugan Sector is provided in the ITAR.

Following Listing, the delineation of further Resources will involve drilling within ML 140 and ML 01/2013/1D, which encompass the entire Jugan Hill project and portion of the Anomaly 12 prospect. The specific objectives of this program are to:

- increase the Resource potential associated with the shallowest ("saddle") portion of the Jugan Hill mineralisation and coincident CDI geophysical anomaly with the drilling of approximately 20 holes, subject to capital raised, involving 2,000m, of infill and step out drilling within ML 140;
- conduct delineation drilling within ML 01/2013/1D to investigate deeper Resource potential, including higher grades and less refractory mineralisation, along the strong northwest plunge of approximately 1,000m total drilling; and

- conduct reconnaissance drilling of that portion of the Anomaly 12 Prospect, Although this constitutes a maiden drilling campaign, Anomaly 12 is interpreted as being offset by faulting from Jugan and having similar but larger anomaly expressions. Following Listing, initially up to 6 holes will be drilled for a total of approximately 900m. Subject to the outcome of this “proof of concept drilling”, subsequent follow-up drilling would be considered.

(iv) Pejiru Sector

The Pejiru Sector, located between 5km and 8km southwest of Bau, comprises four deposits; Pejiru-Bogag, Pejiru Extension, Kapor and Boring (ITAR Section 6). Pejiru has an existing large Resource inventory of approximately 1Moz (ITAR Table 6-1) and a large Exploration Target of 1.7 to 3.3Moz (see the table set out in Section 3.11(b)).

Pejiru’s Resource Inventory is at an Inferred category due to the relatively wide spacing of historical drill holes. Accordingly, the extent of mineralisation is open both in dip and strike directions throughout much of the mineralisation’s footprint. Likewise, mineralisation at depth remains open, especially in areas such as Kapor and Bogar where there is potential for increasing grade with depth, including the proportion of non-refractory gold mineralisation, associated with sub-vertical feeder or conduit systems.

An initial program of deeper drilling to provide proof of concept will be undertaken during the first year within MC KD/01/1994 following Listing . Step-out and infill drilling programs focused on the main Pejiru mineralisation body, as well as evaluating the depth extent of mineralisation of the Kapor and Boring deposits, following Listing. Subject to capital raised this program will entail up to approximately 2,000m and 4,000m of drilling.

(b) Metallurgical Studies

Following Listing, metallurgical studies will be implemented to provide a better understanding of the metallurgy initially of the north-eastern Bau deposits at Jugan, Bekajang and Sirenggok, to better define their characteristics both laterally and vertically. As required, geometallurgical holes will be drilled to provide bulk samples particularly in the Sirenggok and Bekajang areas which were not subject to as in-depth investigation as Jugan was during the Feasibility Study.

(c) Processing studies

Processing studies are intended to provide the best overall gold recovery performance based on metallurgical studies of Jugan and other key deposits.

Specifically this will entail:

- reviewing the design of the proposed comminution circuit in relation to ore hardness, competency, slimes production and their implications for operability of comminution and flotation;
- flotation response characteristics relating to metallurgical variations and accommodating these in throughput and plant scheduling. An on-site pilot plant will facilitate these studies using bulk samples and blended samples from key deposits;
- reviewing smelter penalty element ranges with all flotation test work and metallurgical data to identify opportunities to suppress and remove penalty elements and ensure that concentration specifications can be met with acceptable gold recoveries; and

- additional oxidation and roasting beneficiation test work aimed at determining optimising chemical breakdown and liberation of refractory gold ore.

(d) Upgrading feasibility studies

Following Listing, Besra intends to upgrade the feasibility studies to higher standards required for approvals and capital raising or funding, as required. This will involve:

- integrating the results of the Resource delineation, metallurgical and processing studies to be undertaken as part of this work program;
- conducting a comparative analysis of commercial metrics of for range of processing throughputs, variations in feed-stock, including blended ores, and relative merits of stand-alone mine development compared to multiple pit mine development, or a combination of both;
- identifying critical path items to development including long term lead-in items associated with the approval processes (such as environmental benchmarking) equipment procurement and infrastructure requirements such as power and water, and future land acquisition; and
- compiling detailed capital and operating expense estimates.

(e) Regulatory compliance management

As an ongoing activity, regulatory compliance management will include:

- co-ordinating environmental and land-use studies, preparation and approval of operational management, rehabilitation, occupational health and safety and other mandatory reporting systems;
- preparing documentation to support the range of work program requirements as prescribed by legislation and regulation; and
- managing Permit compliance and pursuing measures to assist in expediting formal granting and determination of pending Permit renewals and applications.

4 Financial Information

4.1 Introduction

The financial information for Besra contained in this Section 4 includes:

- summary audited historical consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018 (**FY2018**), year ended 30 June 2019 (**FY2019**), year ended 30 June 2020 (**FY2020**) and summary reviewed historical consolidated statement of profit and loss and other comprehensive income for the 6 months ended 31 December 2020 (**1HFY2021**) with 6 months ended 31 December 2019 comparative information (**1HFY2020**);
- summary audited historical consolidated statement of cash flows for FY2018, FY2019 and FY2020 and summary reviewed historical consolidated statement of cash flows for 1HFY2021 with 1HFY2020 comparative information; and
- reviewed historical and pro forma consolidated statements of financial position as at 31 December 2020 and the associated details of the pro forma adjustments,

(together, the **Historical Financial Information**).

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- management's discussion and analysis set out in this Section 4;
- the risk factors described in Section 7;
- the description of the use of the proceeds of the Offers described in Section 2;
- the Independent Limited Assurance Report, set out in Section 5; and
- the indicative capital structure described in Section 2.9.

Investors should note that past performance is not an indication of future performance.

4.2 Basis of preparation and presentation of the Historical Financial Information

The Directors of Besra are responsible for the preparation and presentation of the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and Besra's accounting policies. Besra's significant accounting policies are described in Attachment A of the Prospectus. The accounting policies of Besra have been consistently applied throughout the periods presented, with the exception of the description set out in Section 4.3.

All amounts disclosed in Section 4 and the Attachment A are presented in United States dollars and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

The Historical Financial Information (other than the pro forma adjustments to the historical consolidated statement of financial position as at 30 June 2020 and the results of those adjustments) has been derived from the audited consolidated financial reports of

Besra for FY2018, FY2019 and FY2020 and reviewed consolidated financial report for 1H FY2021 which were audited and reviewed by Grant Thornton New Zealand Audit Partnership in accordance with Canadian Auditing Standards which are consistent with International Auditing Standards.

The audit and review opinions issued to the Directors in relation to FY2018, FY2019, FY2020 and 1H FY2021 were unqualified but contained an emphasis of matter regarding the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

The Historical Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving fundraising and/or prospective financial information by Grant Thornton Corporate Finance Pty Ltd as set out in the Independent Limited Assurance Report in Section 5. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Offers.

4.3 Changes in Accounting Standards and Accounting Policies

IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers became mandatorily effective for annual reporting periods beginning on or after 1 January 2018. IFRS 16 Leases became mandatorily effective for annual reporting periods beginning on or after 1 January 2019.

(a) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an expected credit loss model for impairment of financial assets. When adopting IFRS 9, the Group has applied transitional relief and elected not to restate prior periods. There was no impact on adoption of the new accounting standard.

(b) IFRS 15 Revenue from Contracts with customers

IFRS 15 Revenue from Contracts with Customers replaces IAS 18 and covers contracts for goods and services. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards.

The Group adopted IFRS 15 from 1 July 2018 but does not derive any revenue from its mining activities at this stage, and as such has not recognised any operating revenue. Eventually when the Group starts generating revenue, revenue will be recognised in accordance with IFRS 15. There is no impact from the transition from IAS 18 to IFRS 15.

(c) IFRS 16 Leases

The Group adopted IFRS 16 from 1 July 2019, which replaces IAS 17 Leases and:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;

- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in IAS 17; and
- Requires new and different disclosures about leases.

On adoption of IFRS 16, the Group recognises on its balance sheet the minimum lease payments under its lease arrangements as 'right-of-use assets' with a corresponding financial lease liability. The financial liability is adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognised previously recognised under IAS 17 is replaced with a depreciation charge for the leased asset (included in operating costs), and an interest expense on the recognised lease liability (included in finance costs).

There was no impact of adoption of IFRS 16 as the Group did not have any long-term leases as at 1 July 2019.

4.4 Historical consolidated statement of profit and loss and other comprehensive income

The table below presents the summary audited historical consolidated statement of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020.

Table 4.1 – Historical consolidated statement of profit or loss and other comprehensive income

	Audited	Audited	Audited	Reviewed	Reviewed
US\$'000	Year ended 30 June 2018	Year ended 30 June 2019	Year ended 30 June 2020	6 Months ended 31 December 2020	6 Months ended 31 December 2019
Revenue	-	-	-	-	-
Corporate and administrative expenses	(1,217)	(1,737)	(780)	(1,584)	(706)
Exploration expense	(3)	(105)	(238)	114	-
Depreciation and amortisation	(20)	(22)	(15)	11	(11)
Impairment charges	-	(33,270)	-	-	-
Derivative fair value revaluation	192	6,795	(442)	(728)	(26)
Finance charges	160	(1,500)	(64)	(111)	-
Loss before income tax	(888)	(29,839)	(1,539)	(2,320)	(743)
Income tax recovery	266	7,338	-		
Net loss	(622)	(22,501)	(1,539)	(2,320)	(743)
Total Comprehensive Loss	(622)	(22,500)	(1,539)	(2,320)	(743)

Description of key financial terms

Set out below is a description of the key financial terms used in the presentation of the Historical Financial Information:

- Revenue: No revenue has been derived across the historical period;
- Corporate and administrative expenses: Operating expenses relate to all indirect expenditures that are not attributable to exploration activities. These expenses include legal fees, corporate advisory costs, indirect employee costs, administration costs, travel costs, and occupancy costs;
- Exploration expenses: Exploration expenses refers to site costs such as contractors, rents, rates, Permit renewal, fuel, repairs & maintenance, licences and other costs which are directly incurred in relation to the Permit;
- Depreciation and amortisation: refers to the depreciation of motor vehicles and computers;
- Impairment charges: refers to the; impairment of the carrying value of the Bau Gold Project;
- Derivative fair value revaluation: represents the; change in the derivative liabilities using an income approach to calculate the fair value;
- Finance charges: represents interest on loans and borrowings;
- Income tax recovery: represents actual tax recovered in the relevant financial year.

4.5 General factors affecting the historical operating results of Besra

Below is a discussion of the main factors which affected Besra's operations and relative financial performance in FY2018, FY2019, FY2020 and 1HFY2021, which Besra expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected Besra's historical operating and financial performance, nor everything which may affect Besra's operations and financial performance in the future.

Management discussion and analysis of the historical statement of profit and loss and other comprehensive income.

Besra is at a pre-revenue stage as the Bau Gold Project was under care and maintenance between FY2018 and 1HFY2021 and as such has not derived any revenue from the Project.

Between FY2018 and 1HFY2021 Besra has had limited funding available for exploration work. The main costs incurred were in relation to corporate and administrative expenses which include overhead costs such as professional fees, director fees, insurance, office costs and insurance. The increase in operating expenses between FY2018 and FY2019 is attributable to legal and consulting fees in relation to capital raising activities. Reduced expenditures were incurred in FY2020 (compared to FY2019) which coincided with the care and maintenance program of the Permit and a general decline in corporate costs.

Increased corporate and administrative expenses were incurred in 1HFY2021 as Besra prepared for listing.

Exploration expenditure has been minimal between FY2018 and 1HFY2021 as the Bau Gold Project is in care and maintenance.

Depreciation relates to the depreciation expense incurred for office equipment. It is noted that no depreciation was recorded for plant and equipment as they were not in use between FY2018 and 1HFY2021.

In FY2019 an impairment charge was recorded against the carrying value of the Bau Gold Project amounting to \$33.3 million reducing the value of the asset to \$17.5 million, no further impairment was recorded in FY2020 or 1HFY2021.

The derivative fair value revaluation expense reflects the change in fair value of the derivative liabilities in relation to the InCoR and Pangaea secured financing which will convert to Shares as part of the Restructure described in Section 2.7 of the Prospectus.

Interest expense relates to interest accrued on loans and borrowings which will convert to Shares as part of the Restructure described in Section 2.7 of the Prospectus.

4.6 Historical and pro forma consolidated statement of financial position

The table below sets out the audited historical consolidated statement of financial position as at 31 December 2020, the pro forma adjustments that have been made to the reviewed consolidated statement of financial position (further described in Section 4.4) and the pro forma consolidated statement of financial position as at 31 December 2020. The translation to Australian dollars assumes an FX rate of US\$0.79:\$1.00.

The pro forma consolidated statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Besra's view of its future financial position.

Table 4.2 – Historical consolidated Statement of Financial Position

As at 31 December 2020	Ref	Reviewed US\$'000	Pro Forma Minimum Subscription US\$'000	Pro Forma Maximum Subscription US\$'000	Pro Forma Minimum Subscription A\$'000	Pro Forma Maximum Subscription A\$'000
Cash and cash equivalents	4.8	39	6,435	8,266	8,145	10,464
Tax and other receivable		8	38	38	48	48
Prepaid expenses		7	7	7	9	9
Total current assets		84	6,480	8,311	8,202	10,521
Property, plant & equipment		21	21	21	27	27
Exploration & evaluation		17,506	22,641	22,641	28,659	28,659
Total non current assets		17,527	22,662	22,662	28,686	28,686
Total assets		17,611	29,142	30,973	36,888	39,207
Trade and other payables		5,927	1,747	1,747	2,211	2,211

As at 31 December 2020	Ref	Reviewed US\$'000	Pro Forma Minimum Subscription US\$'000	Pro Forma Maximum Subscription US\$'000	Pro Forma Minimum Subscription A\$'000	Pro Forma Maximum Subscription A\$'000
Derivative liability		12,042	-	-	-	-
Loans & borrowings		3,445	-	-	-	-
Total current liabilities		21,414	1,747	1,747	2,211	2,211
Trade and other payables	-	-	429	429	543	543
Total non current liabilities		-	429	429	543	543
Total liabilities		21,414	2,176	2,176	2,754	2,754
Net assets/ (liabilities)		(3,803)	29,966	28,797	34,134	36,452
Issued capital	4.9	141,517	180,842	182,597	228,913	231,135
Reserves	4.9	(20,563)	(19,840)	(19,763)	(25,114)	(23,775)
Accumulated deficit		(123,347)	(133,316)	(133,317)	(168,755)	(168,756)
Non-controlling interest		(1,410)	(720)	(720)	(911)	(911)
Total equity		(3,803)	26,966	28,797	34,134	36,452

4.7 Description of pro forma adjustments

The following transactions and events had not occurred as at 31 December 2020, but have taken place or will take place on or before Listing. The pro forma financial information in this Section 4.7 assumes that they occurred on or before 31 December 2020:

The following subsequent event transactions have or are expected to occur by Listing:

- consolidation of the number of Shares on issue on the basis of 1 new Share being issued for every 1.81 Shares on issue such that the number of Shares on issue is reduced from 8,764,770 to 4,818,622;
- 83,942,611 CDIs to be issued to the Secured Creditors under the Restructure;
- 52,274,001 CDIs to be issued to Pre-IPO Investors under the Restructure;
- 69,844,631 CDIs to be issued under the Noteholder Offer;
- 12,500,000 CDIs to be issued to Gladioli under the SPSA Variation;

- 20,000,000 CDIs to be issued to Pangaea under the SPSA Variation;
- 532,457 CDIs to be issued to settle trade creditors;
- the completion of the Minimum Subscription which involved the issue of 50,000,000 CDIs at \$0.20 per CDI amounting to A\$10 million. The Maximum Subscription involves issue of 62,500,000 CDIs at \$0.20 per CDI for a total amount of A\$12.5 million; and
- drawdown and subsequent repayment of a loan provided by InCoR (\$237,000) and repayment of trade creditors (\$207,000).

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

4.8 Calculation of the pro forma cash position

The table below sets out the reviewed cash and cash equivalents of Besra as at 31 December 2020, the pro forma adjustments that have been made to the audited cash and cash equivalents (further described in Section 4.7) and the Group's pro forma cash and cash equivalents as at 31 December 2020.

Besra expects that it will have sufficient cash to funds its operational requirements and business objectives following the Offers.

	Minimum Subscription Pro forma US\$'000	Maximum Subscription Pro forma US\$'000
Reviewed cash and cash equivalents at 31 December 2020	39	39
Pro forma transactions:		
Drawdown of loans	237	237
Repayment of loan and trade creditors	(444)	(444)
Proceeds from the Offers	7,900	9,875
Cash Offer costs remaining to be paid	(1,297)	(1,441)
Pro forma cash and cash equivalents	6,435	8,266

4.9 Calculation of the pro forma capital structure

The pro forma capital structure shown below is based on the following:

Pro forma adjustment	Shares No.	Issued capital \$'000	Reserves \$'000	Accumulated deficit \$'000	Non controlling interest \$'000	Total equity \$'000
Reviewed at 31 December 2020	8,764,002	141,517	(20,563)	(123,347)	(1,410)	(3,803)
Share consolidation (~1.82)	4,818,622					
Restructure						
Write off trade creditors	-	--	-	2,406	-	2,406
CDIs to be issued to the Secured Creditors under the Restructure	83,942,611	13,608	-	-	-	13,608
CDIs to be issued to Pre-IPO Investors	52,274,000	2,854	-	-	-	2,854
CDIs to be issued to Gladioli in consideration for variation of existing agreement	12,500,000	1,975	-	-	-	1,975
CDIs to be issued to Pangaea for acquisition of NBG shares	20,000,000	3,160	-	(690)	690	3,160
CDIs to be issued to settle trade creditors	532,457	162	-	-	-	162
CDIs to be issued under the Noteholder Offer	69,844,631	11,035	-	(11,035)	-	-
CDIs to be issued under the Public Offer (net of costs)	50,000,000	6,529	723	(649)	-	6,603

Pro forma adjustment	Shares No.	Issued capital \$'000	Reserves \$'000	Accumulated deficit \$'000	Non controlling interest \$'000	Total equity \$'000
Total number of Shares and CDIs on issue at Listing	293,912,321	180,040	(19,840)	(133,316)	(720)	26,966
Adjusted for Maximum Subscription	12,500,000	1,756	77	(1)	-	1,833
Total number of Shares and CDIs on issue at Listing	306,412,321	182,596	(19,763)	(133,316)	(720)	28,797

4.10 Historical statement of cash flows

The table below presents the summary audited historical consolidated statement of cash flows for FY2018, FY2019, FY2020 and summary reviewed historical consolidated statement of cash flows 1HFY2021 (with 1HFY2020 comparative information).

	Audited	Audited	Audited	Reviewed	Reviewed
US\$'000s	Year ended 30 June 2018	Year ended 30 June 2019	Year ended 30 June 2020	Six months ended 31 December 2020	Six months ended 31 December 2019
Operating cash flow					
Total comprehensive loss	(622)	(22,500)	(1,539)	(2,320)	(743)
Depreciation	19	22	15	11	11
Deferred income tax	(266)	(7,338)	-	-	-
Interest on loans	-	39	232	(37)	-
Unrealised foreign exchange	(160)	(27)	-	169	-
Derivative revaluation	(192)	(6,795)	442	728	26
Impairment charges	-	33,270	-	-	-
Other receivables	49	59	(25)	(9)	-
Trade and other payables	712	2,395	534	310	551
Net operating cash flows	(459)	(874)	(341)	(1,148)	(155)
Investing activities					
Exploration and evaluation	(360)	(5)	-	-	-

	Audited	Audited	Audited	Reviewed	Reviewed
US\$'000s	Year ended 30 June 2018	Year ended 30 June 2019	Year ended 30 June 2020	Six months ended 31 December 2020	Six months ended 31 December 2019
costs					
Net investing cash flows	(360)	(5)	-	-	-
Financing activities					
Proceeds from financing loans	142	829	438	1,346	169
Repayment of Loan	-	-	(88)	(192)	-
Net financing cash flows	142	829	350	1,154	169
Net change in cash and cash equivalents held	676	(50)	9	6	14
Cash and cash equivalents at the beginning of the financial year	752	73	22	31	23
Effect of foreign exchange rate changes on cash	(3)	-	-	2	-
Cash and cash equivalents at the end of the financial year	73	23	31	39	37

4.11 Management discussion and analysis of the historical cash flows

Besra has historically generated negative cash flow from operations, which has been funded by borrowings and the issue of Notes. Due to the Bau Gold Project being on care and maintenance limited exploration activity has taken place between FY2018 and 1HFY2021.

(a) Indebtedness and Capitalisation

The below table sets out the indebtedness and capitalisation of Besra as at 31 December 2020, before and following the completion of the Offers:

	Reviewed As at 31 December 2020 US\$'000	After completion of Minimum Subscription US\$'000	After completion of Maximum Subscription US\$'000
Cash and cash equivalents	39	6,435	8,266
Derivative liabilities	(12,042)	-	-

	Reviewed As at 31 December 2020 US\$'000	After completion of Minimum Subscription US\$'000	After completion of Maximum Subscription US\$'000
Loans and borrowings	(3,445)	-	-
Total net indebtedness	(15,448)	6,435	8,266
Total equity	(3,803)	26,966	28,797
Total capitalisation and indebtedness	(19,251)	33,401	37,063

4.12 Dividend policy

No assurance can be given by the Company or its Directors about the payment of any dividend or distribution, or the level of franking on any such dividend.

5 Independent Limited Assurance Report

The Directors
Besra Gold Inc.
Level 1
63 Fort Street
Auckland
New Zealand

**Grant Thornton Corporate
Finance Pty Ltd**
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

8 July 2021

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by Besra Gold Inc. ("Besra" or "the Company") to prepare this report for inclusion in the Replacement Prospectus (the "Prospectus") to be issued by the Company on or about 8 July 2021 in respect of the initial public offering of CHESS Depository Interests in the Company (the "Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following historical financial information of the Company:

Statutory Historical and Pro Forma Historical Financial Information

The statutory historical and pro forma historical financial information of the Company, as set out in the Prospectus comprises:

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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Statutory Historical Financial Information

- the historical consolidated statement of profit and loss and other comprehensive income for the years ended 30 June 2018 (FY2018), 30 June 2019 (FY2019), 30 June 2020 (FY2020) and 6 months ended 31 December 2020 (1HFY2021) with the six months ended 31 December 2019 comparative information (1HFY2020) which are included in Section 4.4 of the Prospectus;
- the historical consolidated cash flow information for FY2018 and FY2019, FY2020 and 1HFY2021 with 1HFY2020 comparative information which are included in Section 4.6 of the Prospectus; and
- the historical consolidated statement of financial position as at 31 December 2020 which is included in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

- the pro forma historical consolidated statement of financial position as at 31 December 2020 and the pro forma adjustments applied as at that date which is included in Section 4.2 of the Prospectus.

(together the “Historical Financial Information”).

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

The Historical Financial Information has been derived from the audited consolidated financial statements of the Company for FY2018, FY2019 and FY2020 and reviewed consolidated financial statements of the Company for 1HFY2021. The financial statements for FY2018, FY2019 and FY2020 were audited by Grant Thornton New Zealand Audit Partnership in accordance with Canadian auditing standards which are consistent with International auditing standards. The financial statements for 1HFY2021 were reviewed by Grant Thornton New Zealand Audit Partnership in accordance with New Zealand auditing standards which are also consistent with International auditing standards. The audit opinion issued to the Directors in relation to FY2018, FY2019 and FY2020 and the review conclusion in relation to 1HFY2021 were unqualified but contained an emphasis of matter regarding the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

As described in Section 4.2 of the Prospectus, the stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards (“IFRS”) and the Company's adopted accounting policies applied to the Historical Financial Information as described in Appendix A of the Prospectus and the events or transactions to which the pro forma adjustments relate described in Section 4.3 of the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position, financial performance, or cash flows.

DIRECTORS' RESPONSIBILITY

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information including the selection and determination of the pro forma adjustments and/ or adjustments included in the Pro Forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Historical Financial Information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Historical Financial Information from the audited consolidated financial statements of the Company covering the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and reviewed consolidated financial statements for the 6 months ended 31 December 2020;
- enquiry of the Directors, management and others in relation to the Historical Financial Information;
- analytical procedures applied to the Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Historical Financial Information;
- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Consolidated Statement of Financial Position from the audited consolidated financial statements of the Company and its controlled entities as at 31 December 2020; and
- consideration of the appropriateness of the pro forma adjustments described in Section 4.3 of the Prospectus;

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the Historical Financial Information and historical operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusions

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

Statutory Historical Financial Information

- The Statutory Historical Financial Information as set out in the Prospectus and comprising:
 - the historical consolidated statement of consolidated profit or loss and other comprehensive income for FY2018, FY2019, FY2020 and 1H FY2021 (including 1H FY2020 comparative information);
 - the historical consolidated statement of cash flows for FY2018, FY2019, FY2020 and 1H FY2021 (including 1H FY2020 comparative information);
 - the historical consolidated statement of financial position as at 31 December 2020;are not presented fairly, in all material aspects, in accordance with the stated basis of preparation described in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

- The Pro Forma Historical Financial Information as set out in the Prospectus and comprising:
 - the pro forma consolidated statement of financial position as at 31 December 2020; and
 - the pro forma transactions set out in Section 4.3 of the Prospectus

are not presented fairly, in all material aspects, in accordance with the stated basis of preparation described in Section 4.2 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance Pty Limited has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance Pty Limited is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully,

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read 'Neil Cooke', with a stylized flourish at the end.

Neil Cooke

Partner

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 8 July 2021.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Besra Gold Inc. ("Besra" or "the Company") to provide a report in the form of an Independent Limited Assurance Report (the "Report") for inclusion in a Replacement Prospectus dated on or about 8 July 2021 (the Prospectus) relating to the offer of CHESSE Depository Interests in the Company (the "Offer"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

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4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Company a fee of A\$80,000, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of Besra in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

“Grant Thornton Corporate Finance and its related entities do not have at the date of this Report, and have not had within the previous two years, any shareholding in or other relationship with Besra (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this Report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this Report. This fee is not contingent on the outcome of the Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this Report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

6 Directors, Senior Management and Corporate Governance

6.1 The Board of Directors

The Board of Directors of the Company as at the Prospectus Date are:

- Andrew Worland – Non-Executive Chairman;
- Jon Morda – Non-Executive Director & Chair of the Audit & Risk Committee;
- Mark Eaton – Non-Executive Director;
- Paul Ingram – Non-Executive Director; and
- John Seton – Executive Director.

In addition, upon Conditional Admission the Company intends to appoint Mr. Robert Dunne to the Board of Directors as a Non-Executive Director (**Proposed Director**).

Biographies for the Directors and the Proposed Director are set out below.

Name, Position	Biography
Mr Andrew WORLAND Non-Executive Chairman	Mr Worland is a mining executive based in Perth, Western Australia and has over two decades of experience working in senior finance, corporate and project management and marketing roles in the Western Australian mining sector for ASX and TSX listed companies. Andrew's experience includes exploration, development and operations in gold, iron ore and base metal mines. Andrew is currently the President and CEO of LeadFX Inc., which owns the Paroo Station Lead Mine in Western Australia and Bongara Zinc Project in Peru. Andrew is a graduate of the University of Western Australia, BCom and is a fellow of the Governance Institute of Australia.
Mr Jon MORDA Non-Executive Director	Mr Morda is chairman of the Besra Audit and Risk Management Committee and former CFO of Alamos Gold Inc. He has over 25 years' experience in the mining industry, with several positions as chief financial officer of mineral exploration and gold producing companies listed on the TSX. In 2011, Jon retired as chief financial officer of Alamos Gold Inc., a mineral exploration and gold producing company listed for trading on the TSX. Jon is currently a director and a member of the Audit Committee of Kootenay Silver Inc. (TSX-V). Jon has a Bachelor of Arts degree from the University of Toronto (1975) and is a member of the Institute of Chartered Accountants of Ontario (1980).
Mr Mark EATON Non-Executive Director	Mr Eaton is a Toronto-based investment professional with over 30 years' experience in equity capital markets specialising in the resource sector, as well as over 10 years serving as management and/or board member to several public mining companies. Mark was formerly a Managing Director of Global Mining Sales, a division of CIBC World Markets of Toronto and Manager of US Equity Sales for

Name, Position	Biography
	CIBC World Markets. He also formerly acted as a Partner and Director of Loewen Ondaatje McCutcheon Ltd., a Toronto-based investment dealer, which he held from January 2007 until he joined the Board of UEX Corporation in March, 2008. Most recently, he acted as President and CEO of Belo Sun Mining (formerly Verena Minerals), from 2010 until 2014. Mark is currently Executive Chairman of Belo Sun Mining (TSX:BSX) and a non-executive director of K92 Mining Inc (TSX:KNT). Mark is a graduate from Hull University in England.
Mr Paul INGRAM Non-Executive Director	Since 2009, Paul has been a director of ASX-listed A-Cap Resources Limited, and Impact Minerals Limited. Paul was previously a director of AIM listed Caledon Resources Limited from February 2003 to March 2008, Polo Resources Limited from January 2008 to January 2011, and ASX listed Consolidated Global Investments Limited (2006-2009), and Australian Pacific Coal Limited (2012-2015).
Mr John SETON Executive Director	Mr Seton is an Auckland based solicitor with extensive experience in commercial law, stock exchange listed companies and the mineral resource sector. He was a former director (and former Chairman) of ASX listed FE Investments Group Limited (until August 2018), a former director and chairman of ASX listed Summit Resources Limited (until May 2007), and Zedex Minerals Limited (until January 2010) and was a former director and former Chairman of NZX listed SmartPay Limited (until January 2011). John has held directorships in several companies listed on the ASX and NZX including Kiwi Gold NL, Kiwi International Resources NL, Iddison Group Vietnam Limited and Max Resources NL. John was also the former chief executive officer of NZSE-listed IT Capital Limited, former Chairman of the Vietnam/New Zealand Business Council and former Chairman of The Mud House Wine Group Limited, an unlisted public company. John also holds a number of private company directorships. John has over 20 years' experience in the resources industry, is a former President of Besra and has extensive business experience in Vietnam, having once served as Chairman of the Vietnam/New Zealand Business Council. John is currently a director of Manhattan Corporation Limited (ASX:MHC) and Tomizone Limited (ASX:TOM). John holds a Bachelor of Laws from Victoria University Wellington and a Master of Law (Honours) from the University of Auckland, and is a Chartered Fellow of the New Zealand Institute of Directors.
Mr Robert DUNNE Proposed Director – Non-Executive Director	Mr. Dunne is a metallurgist with over 40 years experience in the mining industry working extensively in senior management roles specialising in metallurgical, process design, engineering, research and development disciplines for major global mining houses. Robert was Group Executive Metallurgy and Innocation for Newmont Mining from 2003 to 2014 and previously a similar role at Newcrest Mining. Robert has a BSc Engineering (Metallurgy) University of Witwatersrand, Adjunct Professor, Queensland University-Julius Kruttschnitt Mineral Research Centre, Adjunct Professor, Curtin University-Gold Technology Group and is a member of South African Institute of Mining and Metallurgy, American Society of Mining and

Name, Position	Biography
	Metallurgical Engineers and Australian Institute of Mining and Metallurgy.

Each Director and Proposed Director has confirmed to the Company that he anticipates being available to perform his duties as a Director without constraint having regard to their other commitments.

(a) Independence of Directors

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Besra and its Security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist with this. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations (see Section 6.5 below). The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that each of Messers Worland, Morda, Eaton, Ingram and Dunne is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director or Proposed Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

(b) Board composition

In light of the Company's size, nature and stage of development, the Board considers that the current mix of technical, operations, legal, financial and governance expertise of the Board is appropriate. The Board will monitor the size and composition of the Board as the Company's activities develop.

(c) Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee.

In view of the current size and scale of operations of the Company, it is not considered that a separate nomination and remuneration committee is necessary at this stage. The Board as a whole will therefore act in regards to these responsibilities including for example setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and incentives of the Board.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

6.2 Senior Management

Biographies for Senior Management upon Conditional Approval are set out below:

Name, Position	Biography
Dr Ray Shaw CEO	Dr Shaw has 35 years' experience in the resources sector, including over 15 years as Managing Director and/or Chairman of publicly listed companies ranging from micro-cap mining to ASX 300, including being the former Managing Director of Bandanna Energy Ltd and director of the \$2.5 billion Wiggins Island Coal Export Terminal in Gladstone during the initial construction phases. Ray has a broad range of resource commodity experience including precious and base metals, coal and oil and gas, having operated resource projects within Australia, Asia and South America. Ray holds a B.Sc (Hon), Ph.D., Dip Law and is a member of AusIMM, AAPG and Legal Practitioner in New South Wales (currently non-practicing).
Mr Kevin Wright Bau Gold Project Manager	Mr. Wright has 46 years' experience in mining operations as well as managing fully integrated mines, research and development programmes and pilot test work, process plant design, construction, and infrastructure development. Assignments have included equipment reliability maintenance, project permitting, production quality control and the business of building and operating, safe, environmentally compliant, community sensitive and profitable mining operations. International experience includes Central and South America, the Caribbean, Asia, Russia and the former Soviet Union as well as Scandinavia, Eastern Europe and North America. Kevin has been involved with the Bau Gold Project operations for some four years and is based in Malaysia. Kevin holds a CEng, CEnv and Fellowship of the Institute of Materials, Minerals and Mining. He was awarded the Associateship of Camborne School of Mines, ACSM (now University of Exeter) in Mining Engineering in 1975, United Kingdom. He is also a Fellow of the Institute of Quarrying (Malaysia) and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum.
Ms Eryn Kestel Company Secretary and CFO	Eryn has 28 years' corporate experience that includes over 13 years' in the role of company secretary for ASX listed entities and has an established career in accounting and business. Eryn has extensive knowledge of listed and non-listed companies' secretarial requirements, document drafting experience and corporate governance issues. Eryn holds a Bachelor of Business, majoring in Accounting and is a Certified Practising Accountant.

6.3 Remuneration

Details of amounts paid or agreed to be paid to Directors and Senior Management for services provided to the Company for the 24 months preceding the Original Prospectus Date are set out in the table below.

Person	Remuneration ¹ (\$)
Andrew Worland	19,767
Jon Morda	34,329
Mark Eaton	15,392
Paul Ingram	15,392
John Seton (CEO during this period)	264,881
Ray Shaw	55,453
Kevin Wright	38,402
Eryn Kestel	7,500

Notes:

1. Including superannuation.

Details of the proposed total annual remuneration of Directors, the Proposed Director and Senior Management from Listing are set out in the table below. The Board considers these arrangements to constitute reasonable remuneration.

Person	Remuneration ¹ (\$)
Andrew Worland	65,000
Jon Morda	42,500
Mark Eaton	42,500
Paul Ingram	42,500
Robert Dunne	42,500
John Seton	165,000
Ray Shaw	240,000
Kevin Wright	240,000
Eryn Kestel	33,000

Notes:

1. Including superannuation.

Besra intends to issue Options and Performance Rights to certain Directors, Senior Management and consultants on the terms described in Sections 9.3(a) and 9.3(b) respectively.

The Directors and Senior Management may also participate in Besra's Equity Incentive Plan (see Section 9.3).

6.4 Corporate Governance

(a) Overview

This Section 6.3 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget).

The Board is committed to maximising performance, generating appropriate levels of CDI Holder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance securityholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

Copies of the Company's key corporate governance policies and charters are available in the "Corporate" section of the Company's website www.besra.com.

(b) Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Security holders in discharging its duties.

(c) Audit and Risk Management Committee Charter

Under the Company's Audit and Risk Management Committee Charter, the role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Company complies with the ASX Recommendations in relation to the composition and operation of the Committee. The Committee will comprise of Jon Morda (Chair), Andrew Worland and Mark Eaton.

(d) Code of Conduct

The Board has adopted a Code of Conduct setting out the standards of behaviour it expects from its directors, senior executives and employees. Besra will carry on business honestly and fairly and in compliance with all laws and regulations.

(e) Diversity Policy

The workforce of Besra is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected. The Diversity Policy aims to align Besra's business operations with the positive outcomes that can be achieved by utilising the contribution of diverse skills and talents among its Board, management and employees.

(f) Anti-Bribery and Corruption Policy

Besra is committed to operating in a manner consistent with the laws and regulations of the jurisdictions in which its businesses operate, including those relating to bribery and corruption. Accordingly, the Board has adopted an Anti-bribery and Corruption Policy which sets out the responsibilities of Besra and its employees or other personnel or representatives in observing and upholding the prohibition on bribery and related improper conduct and provides information and guidance on how to recognise and deal with instances of bribery and corruption. The Board will be informed of any material breaches of the Anti-bribery and Corruption Policy.

(g) Securities Trading Policy

Besra has adopted a Securities Trading Policy for regulating the trading in its securities by its directors and other key management personnel, including during certain "prohibited periods" or "blackout periods".

(h) Disclosure Policy

Besra has adopted a Disclosure Policy setting out its processes for complying with its continuous disclosure obligations under Canadian securities legislation applicable to "reporting issuers" and the ASX Listing Rules. Unless an exception applies, Besra must disclose to ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

(i) Securityholder Communication Policy

The Board aims to ensure CDI Holders and other stakeholders are informed in a timely and readily accessible manner of all major developments affecting the Company while ensuring to avoid selective disclosure of material information that has not been generally disclosed to the public. It has therefore adopted a Securityholder Communication Policy to facilitate effective two-way communication with investors and encourage participation at meetings.

(j) Whistleblower Protection Policy

Besra has adopted a Whistleblower Protection Policy to encourage its employees, suppliers, contractors, customers, tenderers and other persons who have business dealings with Besra to raise any concerns and report instances of unethical, illegal, socially irresponsible or fraudulent conduct, where there are reasonable grounds to

suspect such conduct, without fear of intimidation, disadvantage, retribution or reprisal. The Whistleblower Protection Policy sets out Besra's commitment to investigating all matters reported in an objective and fair manner as soon as possible after the matter has been reported. The Board will be informed of any material concerns raised under the Whistleblower Protection Policy that call into question the culture of Besra.

6.5 Departures from ASX Recommendations

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies in meeting stakeholder expectations.

The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

As at the Prospectus Date, the Company complies with all ASX Recommendations except as follows:

ASX Recommendation	Comply (Yes/No)	Explanation
Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Partially	The Board Charter requires the Board to annually review the performance of the CEO and other senior executives against guidelines approved by the Board. The Company will disclose for each reporting period whether a performance evaluation was undertaken. Due to the limited size of the Company and current scale of its operations, the Company has not established a nomination and remuneration committee to establish a formal process for evaluating the performance of its senior executives. Performance evaluations of senior executives will be undertaken by the Board as a whole.

ASX Recommendation	Comply (Yes/No)	Explanation
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (iii) the charter of the committee; (iv) the members of the committee; (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	Due to the limited size of the Company and current scale of its operations, the nomination responsibilities will be undertaken by the Board as a whole.
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director. and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and	No	Due to the limited size of the Company and current scale of its operations, the remuneration responsibilities will be undertaken by the Board as a whole.

ASX Recommendation	Comply (Yes/No)	Explanation
ensuring that such remuneration is appropriate and not excessive.		
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	No	Due to the limited size of the Company and current scale of its operations, the remuneration responsibilities will be undertaken by the Board as a whole.

7 Risk Factors

7.1 Overview

The CDIs offered under this Prospectus are considered speculative. Before applying for CDIs, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the CDIs pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. The key risks which the Directors consider that investors should be aware of are set out in Section 1.4. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section 7.

The risks described below are not to be taken as exhaustive. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of Company Shares.

7.2 Specific risks to the Company

(a) Reliance on Joint Venture partner

The Company does not hold legal title to the Permits which form the Bau Gold Project. These Permits are held by Gladioli (the Sarawak-based Joint Venture operator of the Bau Gold Project) or certain of the Gladioli Companies.

In 2006, Besra and its part-owned subsidiaries, BML and NBG, entered into an exploration and shareholders' agreement with the Gladioli Companies, which was later amended and restated in 2010 (**Amended and Restated ESA**).

Pursuant to the Amended and Restated ESA, the Gladioli Companies give NBG the right to explore, develop and mine the Permits. Further, the Gladioli Companies covenant that they shall procure that all beneficial interest in the Permits remains vested with NBG at all times, and they shall not do anything with or in relation to the Permits without the prior written consent of NBG. Further details with respect to the arrangements under the Amended and Restated ESA are set out in the Solicitor's Report.

As a result of these arrangements, the SPSA and SPSA Variation, the Company therefore has an indirect beneficial interest in the Permits through its part-owned subsidiary, NBG. As set out in Section 3.3, at the Prospectus Date the Company has an 87.1% interest in NBG (on an equity-adjusted basis) through its other part-owned subsidiaries, BML and BLL. The remainder of the shares in NBG are currently held by

Gladioli and Golden Celesta. Besra's interest in NBG will increase to 92.8% (on an equity-adjusted basis) following Listing (and the acquisitions contemplated under the SPSA Variation).

The Company is therefore reliant upon its relationship with its Joint Venture partner, Gladioli, with respect to both the enforcement of Besra's indirect interest in the Permits through the Amended and Restated ESA and the control of NBG. There is therefore a risk that, if the relationship between the Company and Gladioli breaks down, the Company will be unable to achieve its business objectives, and will be left with only its contractual rights against Gladioli as outlined above.

Gladioli is a Malaysian company with its principal offices in Kuching, Sarawak. The Gladioli Companies are associated with the Ling family, which have a history in Sarawak and in its state politics. Further information with respect to the Gladioli Companies is set out in the Solicitor's Report.

The Company has a long-standing working relationship with Gladioli, and has entered into a consultancy agreement with Gladioli, through Gladioli's affiliated company, Bukit Young Goldmine Sdn Bhd, pursuant to which it will provide in-country services to Besra for a period of two years following Listing, including liaising with community, local and state stakeholders.

Additionally, the ability of the Company to acquire legal title to the Permits through NBG is dependent on the ability of the relevant Gladioli Companies to transfer the Permits to NBG. The process for effecting such a transfer of Permits is set out in the Solicitor's Report in Attachment G, including the requirement to obtain consent from the relevant regulator or government. Therefore, operations or prospects of the Bau Gold Project could be materially adversely affected and the Company may incur significant costs in resolving issues to ensure it can transfer the Permits to its name or continue with its planned exploration and drilling activities.

(b) Retaining title to Permits

For the Permits to be held and renewed, the relevant Permit holder must comply with the relevant legislation, conditions imposed on the Permits and environmental standard to the satisfaction of the relevant authorities. The Company could lose its interest in, or beneficial title to, the Permits if these conditions are not met, or if the Permits expire and are not renewed.

The Company currently has interests in various Permits, including those involving applications for renewal. All Permits, including those in which Besra intends to conduct its business strategy, will be subject to renewal at some stage in their term or will otherwise expire in due course. For instance, ten of the Permits are due to expire by 2025, however, the Minerals Ordinance provides for renewals in the normal course. As at the Prospectus Date, the Company has no reason to believe its current renewal applications, or future renewal applications, will not be granted.

However, there is no guarantee that the current or successor governments will not make material changes to the mineral legislation or that Permit approvals or renewals will be given as a matter of course or on similar economic terms, nor is there any guarantee that the Government of Sarawak will approve the granting and/or renewal of any Permits as a matter of course. Therefore, there is a risk that the Company may lose its interest in, or its beneficial title to, these Permits if the term of each such Permit is not renewed.

Additionally, there is a possibility that the relevant holders for 11 Permits have not complied with requirements to commence development works, which may render those Permits liable to forfeiture in the future (however, neither the Company nor the relevant Permit holder has received any notification of forfeiture with respect to these Mining

Leases nor have the relevant authorities in the past adhered to a policy of strict compliance). If the Permits are forfeited, the Permits will revert with the Government and the Company will lose its interest in, and beneficial title to, the Permits.

As set out in Section 3.8(b), the Joint Venture has been advised by the regulator of its intention to revoke four Mining Leases within the Bau Gold Project, which encroach upon the boundaries of the DKNP. The Joint Venture submitted a proposal in August 2018 seeking to voluntarily surrender those portions of the Mining Leases which encroach upon DKNP in return for retaining the remaining portions of the Mining Leases or reapplying for new Mining Leases over those remaining portions.

If discussions are unsuccessful, the Company may not have an interest in, or beneficial title to, the necessary Permits to fully exploit the intellectual and geological knowledge of previous exploration results. Should the land within the DKNP be surrendered, the Bau Gold Project's global Resource would only be reduced from 3.3Moz to approximately 3.02Moz of Mineral Resources. Alternatively, if the four Mining Leases are revoked in their entirety, the Project's global Resource will be reduced to approximately 2.6Moz. The Company believes this to be the more unlikely outcome because it would reapply for appropriate tenure over those lands within the four Mining Leases not lying within the DKNP. As at 31 March 2021, inspection of the Registry at the Land Office did not reveal that any memorial of forfeiture had been registered in relation to any of these four Mining Leases (as specified in s.60 of the Minerals Ordinance). Nevertheless, should forfeiture be effected it will not impact upon the business strategy work program which, as outlined in Section 3.13, does not involve any of these four Mining Leases.

(c) Meeting of Unsecured Noteholders

As set out in Section 2.7(d), the Unsecured Noteholders have agreed to an amendment to the terms of their Notes under they will be issued 1,474.12 CDIs in exchange for the settlement in full of each \$1,000 principal amount of Notes (and all accrued interest thereon). This approval was subject to Conditional Admission occurring before 30 May 2021. Given delays in opening the Offers under this Prospectus, the Company will not be in a position to obtain Conditional Admission before 30 May 2021, and therefore, the approval of the Unsecured Noteholders required to facilitate the Noteholder Offer has lapsed and an extension is required to be sought.

A meeting of the Unsecured Noteholders to consider such extension was scheduled to be held on 28 June 2021. This meeting was adjourned until 4:00pm (Toronto time) on 3 August 2021 as the Company did not receive sufficient votes on the original meeting date to establish a quorum for the meeting. If the Unsecured Noteholders approve an extension of the deadline at this meeting (or at any subsequent meeting following adjournment thereof), the Noteholder Offer may proceed and (subject to the other conditions set out in Section 2.2), the Company may proceed to Listing.

However, there is a risk that the Unsecured Noteholders do not approve an extension of the deadline at the upcoming meeting (or at any subsequent meeting following adjournment thereof). Additionally, there is a risk that the Company does not receive sufficient votes of Unsecured Noteholders to establish quorum for the meeting, which may result in the meeting being adjourned and such approval may not be obtained within the time required to meet the offer timetable as set out in this Prospectus. If either of these events occur, the Offers cannot proceed and the Company will not be able to list on the ASX in connection with the Offers under this Prospectus.

(d) Grant of future tenure

The Gladioli Companies currently have pending applications for Permits within the Bau Gold Project with respect to which NBG will hold beneficial title pursuant to the Amended and Restated ESA. It is not guaranteed that these applications, or any other future

applications, will be granted on satisfactory terms, or at all. If future required tenure is not secured, the Company may not have beneficial title to, or an interest in, the necessary Permits to fully exploit the intellectual and geological knowledge of previous exploration results from within the areas they encompass.

(e) Access issues

Whilst the relevant Permit holders have been successful in obtaining agreements with some of the owners and occupiers of land on which the Permits are located, there is no guarantee they will obtain the necessary consents in respect of future Permits granted on terms acceptable to the Company or at all. Therefore, while not anticipated at this stage, there is a risk of access and compensation agreements becoming an issue in the future, particularly as the Company and/or the Joint Venture expands operations.

Additionally, there may also be some Permits which are subject to environmental restrictions with respect to access. There are no protected species near the Bau Gold Project site and the surrounding foliage is second or third generation re-growth and not pristine rainforest with respect to which further reclamation might be a risk.

(f) Key personnel

The future success of the Company depends, to a significant extent, upon the continued services of the management team of the Company. The loss of services from any of the key personnel may have a material adverse effect on the Company's business and operations. There can be no assurance that the Company will be able to retain or hire all appropriate personnel necessary for the development and operation of its business.

(g) Uncertainty of future profitability

The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. Given the Company's stated business strategy, it also expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability include its ability to delineate further JORC Code compliant Mineral Resources, the success of metallurgical and processing studies, the success of feasibility studies, the prevailing market price of gold, the actions of competitors and regulatory approvals. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such profitability (or loss) cannot be predicted and may vary significantly from period to period.

(h) Gold price volatility

Commodity prices, including those for gold, fluctuate and are affected by many factors beyond the control of the Company, including international supply and demand, the level of consumer product demand, technological advancements, forward selling activities, global political uncertainties, the outbreak of warfare, global catastrophes including pandemics, actions taken by governments and global economic and political developments. Gold prices have fluctuated in recent years and may continue to fluctuate significantly in the future. Fluctuations in gold prices, and, in particular, a material decline in the gold price, may have a material adverse effect on the Company's business, financial condition and results of operations.

(i) Geopolitical

The Company's principal assets are located in Malaysia. As such, the Company is subject to political, economic and other uncertainties, including, but not limited to, changes in policies and regulations or the personnel administering them, changes with regard to foreign ownership of property rights, exchange controls and royalty and tax

increases, and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are to be conducted, as well as risks of loss due to civil strife, acts of war and insurrections. If a dispute arises regarding the Company's property interests, the Company cannot rely on western legal standards in defending or advancing its interests.

(j) Equipment

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all this would have a material adverse effect on the operating and financial performance of the Company.

(k) Counterparty risks

The current and planned operations of the Company require involvement of a number of third parties including distributors, customers and suppliers. In particular, Besra does not have any material plant on site at the Bau Gold Project, so further exploration will be undertaken under contract mining with all plant and equipment to be provided by contractors under contractual arrangements which mandate compliance with limited Malaysian mining legislation.

The ability of the Company to achieve its stated objectives will depend on the continued creditworthiness of and contractual performance by such counterparties. If deterioration of the creditworthiness of these counterparties occurs, or if they otherwise fail to adhere to or terminate arrangements, the Company's business may be adversely affected (including, for example, a delay to or termination of services or costly legal disputes).

(l) Litigation

Legal claims or proceedings may arise from time to time in the course of the business of the Company. Defence and settlement costs of legal claims can be substantial, even where claims have no merit.

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company.

(m) Internal regulatory controls

The Company has previously been underfunded for a number of years, while it has endeavoured to manage the consequences of its historic Vietnamese projects. The Company's corporate and financial resources in this period were lacking, which led to a number of instances of potential non-compliance with applicable regulatory requirements, including late annual account filings, improper execution of documents, absence of or incomplete documentation relating to company incorporation and ownership details and loss of certain historic physical records.

There is a risk that the Company may be subject to legal and/or regulatory action in any of the jurisdictions in which the Company operates, including fines or other adverse consequences as a result of these administrative errors. As at the Prospectus Date, the Company is not aware of any breaches of laws and regulations that could have a material adverse impact on the Company.

The Company has now appointed an experienced Board and Senior Management team to ensure suitable internal controls are in place as at the Prospectus Date and following Listing. In addition, the Company has severed all connections with its historic Vietnamese projects.

(n) Insurance

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

7.3 Mining industry risks

(a) Inherent industry risks

The Company is engaged in the acquisition and exploration of and investment in resource properties, which is an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically mineable deposits. The focus of the Company is on areas in which the geological setting is well understood by management.

(b) Safety and industrial accidents

The exploration for and extraction of gold involves the operation of heavy machinery. This carries with it an increased safety related risk. The Company has policies and procedures in place in relation to safe work practices. Despite the relevant safeguards, there is no guarantee that a serious accident will not occur in the future. A serious accident may negatively impact the financial performance and/or financial position of the Company.

(c) Development and operational

By its very nature, the development of a mining facility contains significant risks with no guarantee of success. The ultimate economic development of a mineral deposit is dependent on many factors, including the ability to access adequate capital for project development, obtaining regulatory consents and approvals necessary for the conduct of development and production, securing access to equipment, materials and infrastructure, securing access to competent operation management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

Similarly, all production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability. If the Company develops mining operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's profitability, the value of the Company's projects and in turn, the value of its shares.

(d) Resource estimation

Besra's JORC Code compliant Mineral Resource is an estimate only. Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly as new information becomes available.

In addition, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, the estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

The Mineral Resource estimates for the Bau Gold Project's Blocks A and B includes Permits which are subject to renewal. In addition, should the Joint Venture surrender those portions of the four Mining Leases within the DKNP which are currently subject to forfeiture and for which the Joint Venture has been in discussions with the Mining of Urban Development and Natural Resources with respect to (as discussed in Section 3.8(b)), the Project's global Mineral Resource will be reduced from 3.3Moz to approximately 3.02Moz, and if the Company were to forfeit those four Mining Leases in their entirety, the Project's global Resource will be reduced to 2.6Moz (this particular risk is discussed further at Section 7.2(b)).

(e) Future capital requirements

The Company's ability to carry out its business, including the advancement of the Bau Gold Project, is dependent upon its ability to raise funds in an orderly fashion and on reasonable terms. Exploration and development involve significant financial risk and capital investment.

The Company believes that the funds raised under the Public Offer (based on the Minimum Subscription), will be sufficient to fund its activities (see Section 2.6). However, even in circumstances where the Maximum Subscription is raised, the Company will require additional capital in order to pursue its ultimate strategy of advancing the Bau Gold Project towards production. Also, it is possible further capital may be required at an earlier stage if, for example, any of the other risks in this Section 7 materialise, or equally new and superior opportunities materialise.

Future equity financing may dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its activities. There is no guarantee that the Company will be able to secure any additional financing or be able to secure financing on terms favourable to it.

(f) Environmental

The Company's operations are subject to environmental regulations. As with most mining related activities, these are expected to have an impact on the environment, particularly if mine development proceeds. To date, some environmental base line studies have been undertaken in a number of mining leases but these will need to be updated and/or expanded to address specific development plans in due course.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events beyond the Company's control may impact on the Company's ongoing compliance with environmental legislation,

regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) may not be available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. There is a risk that environmental laws and regulations could become more onerous making the Company's operations more expensive. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits will be required in connection with the Company's operations. To the extent such approvals are required and not obtained or maintained on acceptable conditions, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral assets.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(g) Government regulation

In addition to environmental regulation, the activities of the Company are subject to various laws and regulations including in those governing exploration and mining, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous heritage and native title and other matters. Any material adverse changes in government policies or legislation that affect the Company's activities may affect the viability and profitability of the Company's current and future projects.

Furthermore, no assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of its projects.

Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation of them could have a substantial adverse impact on the current and any future project and therefore the Company.

Government regulations may impose costs on Besra's mining operations, and future regulations could increase those costs or limit Besra's ability to explore for and ultimately produce gold. The mining industry is subject to increasingly strict regulation with respect to matters such as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, discharge of materials into the environment, surface subsidence from above and underground mining sites and the effects of mining on groundwater quality and availability. The possibility exists that new legislation and/or regulations and orders may be adopted that may materially adverse effect Besra's mining operations, cost structure and/or the ability of Besra to undertake its proposed activities.

New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related

to the protection of the environment that would further regulate and tax the industry, may also require Besra or its customers to change operations significantly or incur increased costs.

Other changes in government regulation may impact on Besra's business. These include changes to taxation laws, fiscal, monetary and regulatory policy changes and changes to export regulation in countries which the Company holds assets.

(h) Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration programs.

At present, there is an existing tailings dam from historical production at Bau which will need to be managed as part of restart of operations.

(i) Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, increases in the costs of services, future legal actions or expenses in relation to future unforeseen events. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

7.4 General investment risks

(a) Economic

General economic conditions and movements in interest, inflation and currency exchange rates (particularly with the Company's operations being based in Malaysia) may have an adverse effect on the Company's mineral development and production activities, its ability to fund those activities and its financial performance more broadly.

Other contributing factors to the general economic climate include tax reform, new legislation, changes in investor sentiment, the demand for and supply of capital and terrorism or other hostilities.

(b) Infectious disease

Outbreaks of pandemics or diseases, including, for example, the recent outbreak of the coronavirus disease (**COVID-19**), may have a material adverse effect on Besra's business. The global economic outlook remains uncertain due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share price. The Company's share price may be adversely affected by this economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations (including, without limitation, the Company's exploration and development activities). Examples of possible implications include delays to regulatory mining-related approvals, site access restrictions, limited or no access to funding on commercially acceptable terms, termination of third party contracts and loss of revenue.

Malaysia has recently introduced mandatory lock-downs for public health purposes as a result of COVID-19. These and other measures have not only restricted the international movement of people but also interstate movement within the Malaysian Federation. Similar actions, if persisting or implemented in the future, are likely to impact on Besra's in-country activities including the risk of disruption to its intended exploration program schedule.

In order to mitigate this risk, Besra's Bau Gold Project Manager, Kevin Wright, is based in Kuala Lumpur and can access the site by intra-country travel. In addition, Gladioli (as operator of the Joint Venture), is located in Kuching Sarawak, and provides logistical services to the Joint Venture which ameliorates some of the infection transmission risks otherwise associated with international travel.

The Board is monitoring the situation closely and will inform investors of any changes to its assessment of the impact of COVID-19 on the Company's business and financial performance.

(c) Climate change

There has been increasing concern by the public and regulators globally on climate change issues. As a mining company, Besra is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes that may impact negatively on the mining industry (such as by increasing the cost of diesel or other consumables with a carbon footprint). Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Besra's operating and financial performance.

(d) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

7.5 Risks relating to the Offers

(a) Offers do not proceed

If ASX does not admit the CDIs to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by the ASIC, the Company will not allot or issue any Securities and will repay all Application Monies within the time prescribed under the Corporations Act, without interest.

(b) Share market risk

There is currently no public market for the CDIs, the price of CDIs is subject to uncertainty and there can be no assurance that an active market for the Shares will develop or continue after the Offers.

Following Listing, the market price of the Shares may rise or fall and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Liquidity and escrow release

There is no guarantee that, upon Listing, there will be an ongoing liquid market for the Company's CDIs. Accordingly, there is a risk that should the market for the Company's Shares become illiquid, CDI Holders will be unable to realise their investment in the Company. Further, as set out in Section 2.16, certain CDIs will be subject to mandatory or voluntary escrow arrangements. During this period, trading in CDIs may be less liquid which may impact on the ability of CDI Holders to dispose of their CDIs in a timely manner.

There is also a risk that, upon release from escrow, if a substantial proportion of those CDIs are offered for sale on the market at the same or similar time, this may reduce the market price of CDIs around that time.

(d) General comments on risks

The Directors and management of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors and management to do so may be affected by matters outside their control and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, may in the future materially affect the financial performance of the Company and the value of CDIs.

8 Material Contracts

The material contracts of the Company are set out below. Agreements set out in this Section 8 are, on their face, enforceable and legally binding in accordance with their terms.

A brief overview of where to find the material contracts in this Section 8 is set out below:

Section number	Contract name
Section 8.1	Offer management agreements
Section 8.2	Amended and Restated ESA
Section 8.3	Sale and Purchase of Shares in North Borneo Gold (SPSA)
Section 8.4	SPSA Variation
Section 8.5	Executive services agreements
Section 8.6	Restructure agreements
Section 8.7	Non-Executive Director appointment letters
Section 8.8	Indemnity Deeds
Section 8.9	Supplier settlement agreements

8.1 Offer management agreements

(a) Lead Manager Mandate

The Company has appointed the Lead Manager as the sole lead manager and sole bookrunner to the Public Offer. The key terms of the Lead Manager Mandate dated 17 January 2020 are set out in the table below.

Term	Details
Parties	Besra Canaccord
Description	Besra appointed Canaccord on an exclusive basis as sole Lead Manager for the Pre-IPO Notes and the IPO.
Fees	The Company agreed to pay on the settlement date for the Public Offer the following fees (excluding GST) to Canaccord: - a management fee of \$100,000 – with 25% already paid on completion of the Pre-IPO Raising, 25% on lodgement of this Prospectus and 50% on the issue or transfer of any Shares or CDIs under the Prospectus; - a Lead Manager fee – equating to 2% of the gross proceeds of the Public Offer (being \$200,000 in the event of the Minimum

Term	Details
	Subscription, and \$250,000 in the event of the Maximum Subscription); • a capital raising fee – equating to 4% of the gross proceeds of the Offers (being between \$400,000 in the event of the Minimum Subscription, and \$500,000 in the event of the Maximum Subscription); and • 2,990,385 options under the Minimum Subscription and up to 4,528,846 options under the Maximum Subscription (fraction pro-rata) in the capital of the Company with an exercise price of \$0.25 (equating to a 25% premium to the IPO Offer Price) and expiring 4 years from the date of Listing (Lead Manager Options). Full terms of issue of the Lead Manager Options are set out in Attachment D. The Company agrees to reimburse Canaccord for all reasonable out of pocket expenses incurred in association with the IPO.
Term and termination	Either party may terminate the Lead Manager Mandate at any time with or without cause upon seven days' written notice to the other party.
Other key terms	If the Company terminates the Lead Manager Mandate for any reason other than pursuant to negligence, recklessness, breach of this agreement, wilful misconduct or fraud of the Lead Manager and undertakes another form of capital raising, the Company must pay to the Lead Manager within 14 days a withdrawal fee equal to the outstanding management fee, being \$75,000.

(b) US Placement Agent

Canaccord has appointed Boustead as US Placement Agent to the Public Offer. On completion of the Offers, Besra will issue 1,625,000 options (**Broker Options**) to Boustead. The Broker Options are on the same terms as the Lead Manager Options as set out in Attachment D.

8.2 Amended and Restated ESA

A summary of the material terms of the Amended and Restated ESA between the Company, BML, NBG and certain Gladioli Companies is contained in the Solicitor's Report which is contained at Attachment G of this Prospectus.

8.3 SPSA

A summary of the material terms of the SPSA (as amended and restated) between BLL, NBG and Gladioli is contained in the Solicitor's Report which is contained at Attachment G of this Prospectus.

8.4 SPSA Variation

Term	Details
Parties	Besra BLL Gladioli Pangaea
Brief description	The Solicitor's Report contains a summary of the terms of the SPSA. Under the SPSA, Besra had the right under the SPSA to increase its interest in the Bau Gold Project held by NBG by payment of additional deferred consideration comprising Shares and cash. Pursuant to this variation, the parties to the SPSA have agreed to vary the terms of the SPSA with the effect that Besra is released of its obligations to acquire the remaining tranches of NBG shares (Remaining NBG Shares) under the SPSA (Variation). Pursuant to this variation, Gladioli agrees to sell, and Pangaea agrees to purchase, the Remaining NBG Shares (Pangaea Acquisition). Following this, Pangaea agrees to sell, and Besra agrees to purchase, a portion of the Remaining NBG Shares (Besra Acquisition). In consideration for this variation, Besra agrees to issue CDIs to each of Gladioli and Pangaea as set out below.
Consideration	Besra agrees to issue: • 12,500,000 CDIs to Gladioli in consideration for the Variation; and • 20,000,000 CDIs to Pangaea in consideration for the Besra Acquisition. As set out in Section 2.16, it is proposed these CDIs will be subject to 24 months' mandatory escrow. Pangaea will also pay \$4,500,000 to Gladioli in consideration for the Pangaea Acquisition.
Other key terms	Gladioli and Besra agree to enter into a consultancy agreement, pursuant to which Gladioli will provide in-country services to Besra for a period of two years following Listing for \$250,000 per annum.
Release from escrow	As at the Original Prospectus date, the SPSA Variation was signed, but was being held in escrow (and of no force or effect) until the cash consideration due from Pangaea to Gladioli had been paid. Due to unanticipated delays in the funding required by Pangaea to meet its obligations (which also contributed to the delay between the lodgement of the Original Prospectus and this Prospectus), it became necessary for Pangaea to arrange alternative funding, which has now occurred. The cash consideration having now been paid by Pangaea, the conditions for the escrow of the SPSA Variation have been satisfied and the SPSA Variation is now effective.

8.5 Executive services agreements

(a) John Seton

Term	Details
Parties	Besra Jura Trust Limited
Position	Executive Director
Commencement Date	Date of Conditional Admission
Remuneration	\$165,000 per annum.
Term	Until 9 April 2023, unless terminated earlier as set out below.
Discretionary benefits	Participation in the Equity Incentive Plan, including any applicable short-term incentive plan, during the term of the agreement.
Expenses	All reasonable and documented expenses incurred in connection with the business of Besra.
Confidentiality obligations and restraints	The agreement is subject to standard confidentiality restrictions and provides for a 12-month restraint period following the date of termination of the agreement. During the restraint period, neither John Seton nor his company, Jura Trust Limited can directly or indirectly be engaged or employed by any direct competitors in Canada or any other country where Besra carries on business, act in any manner detrimental to the relations between Besra and its stakeholders or solicit any of Besra's stakeholders or be involved with any person in relation to the same.
Termination	Besra may terminate the agreement by notice: • at any time with or without cause; or • at any time for any just cause that would permit termination (in which event Jura Trust Limited will not be entitled to receive to termination benefits other than its entitlement to its fees accrued to the date of the notice). Jura Trust Limited may terminate: • with at least 3 months' notice in writing; • immediately upon notice to the Company where a receiver or liquidator is appointed in relation to Besra or Besra otherwise fails to make any payments that have fallen due and payable under the agreement within 14 days of the due date under the agreement and fails to pay such moneys within 14 days of receiving written notice from Jura Trust Limited; or • may terminate with 7 days' notice for "Good Reason". "Good Reason" includes: – the nature of the duties, requirements or arrangements of the role substantially change such that the work required to be performed is not

Term	Details
	consistent with work ordinarily required to be performed by a manager of a publicly listed mining company; – the title of the role is changed without agreement; – the remuneration is reduced; – the base location of work changes by more than 50km; and – a failure by the Company to continue in effect, or a change of Jura Trust Limited or Mr Seton's participation in benefits under any bonus or incentive plan, the effect of which would be to materially reduce the total value (in aggregate) of Jura Trust Limited or Mr Seton's benefits under those plans..
Termination benefits under the agreement	Where Besra terminates without cause, it must make the following payments to Jura Trust Limited on or before the fifth day following the date of notice provided by Besra: • outstanding fees through to the date of termination and any reimbursable expenses; and • in lieu of further fees for periods subsequent to the date of the notice, a payment equal to 12 months at the rate of Jura Trust Limited's annual fee (at that time). Where termination occurs for "Good Reason", Besra must make the following payments to Jura Trust Limited: • outstanding fees payable through to the termination date and any reimbursable expenses; and • in lieu of further fees for periods subsequent to the date of the notice, a payment equal to 12 months at the rate of Jura Trust Limited's annual fee (at that time). Where Besra terminates the agreement without cause, or Jura Trust Limited terminates the agreement for "Good Reason", any unvested Securities issued to Jura Trust Limited will vest upon termination of the agreement.
Insurance	Besra must maintain directors' and officers' insurance and a professional indemnity policy with a reputable insurer for the benefit of John Seton.

(b) **Dr Ray Shaw**

Term	Details
Parties	Besra Dr Ray Shaw
Position	Chief Executive Officer
Commencement Date	The date of Conditional Admission

Term	Details
Remuneration	\$240,000 per annum (including superannuation). In addition, Dr Shaw is entitled to participate in the Equity Incentive Plan as determined by the Board.
Expenses	The Company will reimburse Dr Shaw for reasonable expenses incurred by him in the performance of his duties, including mobile phone and parking expenses.
Confidentiality obligations and restraints	Dr Shaw must not: - during and after termination of the agreement, divulge or use (directly or indirectly) any trade secrets or other confidential information which he may receive whilst an employee of the Company (except to the extent that such information has come into the public domain without the breach by Dr Ray Shaw); - during his employment under the agreement, except as a representative of the Company or with the consent of the Board, be directly or indirectly involved in any other business competing in a material respect with the business of the Company (however this will not preclude Dr Shaw from having an interest by way of a bona fide portfolio investment in stocks, shares, units or other securities of any other entity if that investment is undertaken in compliance with the Company's investment guidelines and policies (if any)); and - for a period of six months after termination of the agreement, employ, engage, solicit, interfere with or endeavour to entice away from the Company or its related bodies corporate any employee.
Termination	The Company and Dr Shaw may terminate the agreement at any time by giving the other party written notice in accordance with the Notice Period. In the case of a breach of the agreement by Dr Shaw that is wilful, persistent and material, the Company may terminate the agreement after serving two written notices on Dr Shaw. If a "control event" with respect to the Company (as defined below) occurs and the Company implements a material change to Dr Shaw's position or rights under the agreement without Dr Shaw's consent, the Company is taken to have given notice to Dr Shaw of termination without cause. "Control event" includes (amongst other things) an acquisition of the Company, or the directors as at the date of the agreement ceasing to form the majority of the Company's directors. On termination of the agreement, Dr Shaw will be entitled to be paid until the date of termination.
Notice Period	Three months where the continuous service period under this agreement (including its predecessor) is less than two years. Six months where the continuous service period under this agreement (including its predecessor) is between two and five years.

Term	Details
	12 months where the continuous service period under this agreement (including its predecessor) exceeds five years.
Termination benefits under the agreement	None.

(c) Kevin Wright

Term	Details
Parties	Besra Mr Kevin Wright
Position	Bau Gold Project Manager
Commencement Date	The date of Conditional Admission.
Remuneration	\$240,000 per annum. In addition, Mr Wright is also entitled to participate in the Equity Incentive Plan as determined by the Board.
Expenses	The Company will reimburse Mr Kevin Wright for reasonable expenses incurred by him in the performance of his duties, including mobile phone and parking expenses.
Confidentiality obligations and restraints	Mr Wright must not: - during and after termination of the agreement divulge or use (directly or indirectly) any trade secrets or other confidential information which he may receive whilst an employee of the Company (except to the extent that such information has come into the public domain without breach by Mr Wright); - during his employment under the agreement, except as a representative of the Company or with the consent of the Board, be directly or indirectly involved in any other business competing in a material respect with the business of the Company (however this will not preclude Mr Wright from having an interest by way of a bona fide portfolio investment in stocks, shares, units or other securities of any other entity if that investment is undertaken in compliance with the Company's investment guidelines and policies (if any)); and - for a period of 12 months after termination of the agreement, employ, engage, solicit, interfere with or endeavour to entice away from the Company or its related bodies corporate any employee
Termination	The Company and Mr Wright may terminate the agreement at any time by giving the other party three months' written notice.

Term	Details
	In the case of a breach of the agreement by Mr Wright that is wilful, persistent and material, the Company may terminate the agreement immediately.
Termination benefits under the agreement	None.

(d) Eryn Kestel

Term	Details
Parties	Besra Kestel Corp8
Position	Company secretary and Chief Financial Officer
Commencement Date	The date of Conditional Admission
Remuneration	Estimated remuneration of \$33,000 (excluding GST) per annum, comprising \$1,200 per month (excluding GST) for company secretarial services and a charge out rate of \$1,250 per day (excluding GST) with respect to CFO services performed. Fees may vary if Kestel Corp8 is required to complete any significant material task outside the scope of work outlined in the agreement.
Expenses	The Company will reimburse Kestel Corp8 for reasonable expenses incurred in the performance of the agreement.
Termination benefits under the agreement	None.

8.6 Restructure agreements

The following agreements have been entered into by Besra in order to effect the Restructure.

(a) Pangaea Note and Equity Share Swap Agreement

Term	Details
Parties	Besra Pangaea
Description	Pangaea is the holder of a secured convertible note issued pursuant to the Exit Financing in the principal amount of C\$10,000,000 (Pangaea Note). As part of the Restructure, Besra has entered into this Equity Share Swap Agreement with Pangaea (Pangaea ESSA) under

Term	Details
	which Pangaea has agreed, subject to the satisfaction of certain conditions precedent, to the conversion of the Pangaea Note into CDIs and the cancellation of certain warrants issued at the time of issue of the Pangaea Note. Pangaea will be issued 49,951,628 CDIs on Conditional Admission.
Conditions Precedent	Completion under the Pangaea ESSA is conditional upon Conditional Admission.
Existing Default	Pangaea maintains that the Company is in default of its obligations under the Pangaea Note. In order for the Offers to proceed, Pangaea has agreed to a waiver of defaults pursuant to the terms of the Equity Share Swap Agreement until Conditional Admission of the Company on or before 31 May 2021 (or another date agreed by the parties – since extended to 30 September 2021).
Escrow Shares	In order to vest Pangaea with voting control of the Company pending conversion of the Pangaea Note, Pangaea was issued Shares representing 50.1% of the voting rights of Besra's issued and outstanding Shares (Pangaea Escrow Shares). The Pangaea Escrow Shares have been deposited with an escrow agent pursuant to a common share escrow agreement which provides Pangaea with the voting rights in respect of such shares but not economic or other rights in respect thereof. The Pangaea Escrow Shares will be redeemed for a nominal amount upon completion of the Pangaea ESSA.
Security	The obligations under the Pangaea Note are secured <i>inter alia</i> by (i) joint and several guarantees by the subsidiaries of the Company (ii) a pledge to it of the shares held by those subsidiaries in NBG, and (iii) a general security agreement over the Company's assets and by share pledge arrangements.
Completion	At completion, the Company will issue to Pangaea 49,951,628 CDIs. Upon completion under the Pangaea ESSA any and all rights of Pangaea in respect of prior defaults under the Pangaea Note will be extinguished.
Termination	A party may terminate the Pangaea ESSA if any of the other parties commit a material breach of its terms and the breach is not capable of being remedied, or if capable of being remedied, is not remedied within 10 days. Pangaea may terminate the Pangaea ESSA if Conditional Admission is not achieved by 31 May 2021 (or another date agreed by the parties in writing – since extended to 30 September 2021).

(b) InCoR Note and Equity Share Swap Agreement

Term	Details
Parties	Besra InCoR
Description	InCoR is the holder of a secured convertible note issued in March 2015 with respect to C\$2,000,000 of funding provided by InCoR to the Company (InCoR Note). The InCoR Note accrued interest at 6% per annum and was due in March 2017. Further advances have been made under the InCoR Note and effective January 2018 interest was increased to 12% per annum. Principal under the InCoR Note is C\$2,220,000. As part of the Restructure, Besra has entered into this Equity Share Swap Agreement with InCoR (InCoR ESSA) under which InCoR has agreed, subject to the satisfaction of certain conditions precedent, to the conversion of the InCoR Note into CDIs. InCoR will be issued 13,990,983 CDIs on Conditional Admission.
Conditions Precedent	Completion under the InCoR ESSA is conditional upon Conditional Admission.
Existing default	In order for the Offers to proceed, InCoR has agreed to a waiver of the Company's defaults and enforce a standstill on conversion of the InCoR Notes (which would otherwise be convertible at InCoR's election) until Conditional Admission of the Company on or before 31 May 2021 (or another date agreed by the parties – since extended to 30 September 2021).
Security	The obligations under the InCoR Note are secured by joint and several guarantees by subsidiaries of the Company and a pledge to it of the shares held by those subsidiaries in NBG. These securities were subordinated to the security interest granted to Pangaea pursuant to the Pangaea Note. Upon Completion of the InCoR ESSA, InCoR will release the security package.
Completion	At completion, the Company will issue to InCoR 13,990,983 CDIs. Upon completion under the InCoR ESSA, any and all rights of InCoR in respect of prior defaults under the InCoR Notes will be extinguished.
Termination	A party may terminate the InCoR ESSA if any of the other parties commit a material breach of its terms and the breach is not capable of being remedied, or if capable of being remedied, is not remedied within 10 days. InCoR may terminate the InCoR ESSA if Conditional Admission is not achieved by 31 May 2021 (or another date agreed by the parties in writing – since extended to 30 September 2021).

(c) InCoR Loan Agreement

Term	Details
Parties	Besra InCoR Services Limited
Description	On 1 January 2021, InCoR Services Limited agreed to provide Besra with a C\$300,000 loan facility to provide working capital to the Company to Listing. As at the Prospectus Date, C\$175,000 plus A\$100,000 had been drawn under the agreement.
Consideration	Establishment fee of \$12,000.
Interest	Interest accrues at 12% per annum.
Repayment	Amounts drawn under the facility are to be repaid on the earlier of 31 August 2021 or five days after admission to the Official List.
Security	None

8.7 Non-Executive Director Appointment Letters

The Company has entered into a letter of appointment with each of Messrs Andrew Worland, Jon Morda, Paul Ingram, Mark Eaton and Robert Dunne to confirm their respective appointment or proposed appointment as Non-Executive Directors.

The Company has agreed to pay a fee of \$42,500 per annum (including superannuation) to each of Messrs Worland, Morda, Ingram, Eaton and Dunne with respect to their role or proposed role as Non-Executive Director, and an additional fee of \$5,000 per annum (including superannuation) to Mr Worland for his role as Chair. These fees will start accruing from the Original Prospectus Date.

8.8 Indemnity Deeds

The Company has entered into deeds of access, indemnity and insurance (**Indemnity Deed**) with each of the Directors, the Proposed Director, Mr Ray Shaw and Ms Eryn Kestel (each an **Officeholder**). These Indemnity Deeds are on the same terms, the key terms of which are set out below.

Term	Details
Indemnity	Under the Indemnity Deeds, the Company agrees to indemnify each Officeholder against all costs, charges, expenses (including any legal, professional or advisory fees or disbursements), and any amounts paid to settle or dispose of any claim in which the Officeholder is involved because of the Officeholder's association with the Company. The Company will indemnify the Officeholder for such amounts where the Officeholder has acted honestly and in good faith with a view to the best interests of the Company and in the case of a criminal or administrative action or proceeding, the Officeholder had reasonable grounds for believing their conduct was lawful.
Insurance	The Company agrees obtain insurance which insures each Officeholder in the manner and the amount that is deemed

Term	Details
	prudent by the Board during the period in which that Officeholder is a director or officer of the Company. The Company must make commercially reasonable efforts to continue to maintain such insurance for a period of not less than two years after the Officeholder ceases to be a director or officer of the Company or, secure directors' and officers' insurance coverage for the Officeholder on a two-year run-off basis.
Access to Company records	During the period that the Officeholder is a director or officer of the Company to the date that is two years after the Officeholder ceases to be a director or officer of the Company, the Officeholder is entitled (upon written request to the Company) to inspect the Company's records at the Company's head office. The Company shall give such access only for purposes which are properly referable to the Officeholder's current or former office as a director or officer of the Company.

8.9 Supplier Settlement Agreements

Besra has entered into settlement agreements with two historic suppliers, SGS and Indodrill, who have each provided drilling and assaying services for the Bau Gold Project.

(a) SGS settlement agreement

Term	Details
Parties	Besra SGS
Description	In 2020, SGS commenced legal action against the Company to claim outstanding invoices and accrued interest in relation to historical drilling and assaying services provided by SGS to the Company in relation to the Bau Gold Project. The Company has entered into a settlement agreement with SGS (as amended by the supplemental letter dated 11 June 2021) in full and final settlement of any and all claims the parties may have against one another in relation to the historical supply agreement.
Release	The Company and SGS each irrevocably and unconditionally release and discharge the other party from any and all actions, proceedings, claims, demands, debts and liabilities arising out of and/or in connection with and/or related to the underlying supply agreement.
Settlement Sum	US\$529,082.19
Payment schedule	The Company agrees to pay the settlement sum to SGS as follows: - an initial payment of US\$25,000 upon execution of the settlement agreement; - quarterly instalments of US\$50,000 on or before each of the 28 February 2021, 28 May 2021, 28 August 2021, 28

Term	Details
	November 2021, 28 February 2022, 28 May 2022, 28 August 2022, 28 November 2022 and 28 February 2023; and - a final instalment of US\$54,082.19 on or before 28 May 2023. The Company did not make the payment due on 28 May 2021 within the time required, however the parties entered into a supplemental agreement pursuant to which: - SGS agreed to waive that default; - the parties agreed to defer the 28 May 2021 payment until 28 July 2021; and - the Company agreed to pay interest at a rate of 1.5% per month in respect of that US\$50,000 payment, which shall be payable on 28 July 2021.
Default	Upon the occurrence of any event of default (as set out below), the principal sum of US\$601,177.56 with simple interest at 5% per annum (calculated from the date of default until full settlement) shall become immediately payable in one lump sum by the Company to SGS. An event of default occurs where there is: - any default in the instalment payments or any sum due under the settlement agreement for 20 days whether demanded or not by SGS; - any breach and/or default of and/or non-fulfilment of any of the terms, conditions, agreements, covenants or stipulations of the settlement agreement; - the Company commences a meeting for the purpose of making or proposing and/or entering into any arrangement with or for the benefit of its creditors; - a receiver or other similar officer is appointed over the Company's property; - the Company takes any action or step for voluntary winding up; - a distress, attachment, execution or other legal process is levied, enforced against the Company's assets and is not discharged or stayed within 30 days; or - any factor which would render performance of the settlement agreement to be unlawful by the Company.

(b) Indodrill settlement agreement

Term	Details
Parties	Besra NBG Indodrill
Description	Besra owes Indodrill amounts under a historical services agreement whereby Indodrill provided exploration drilling services to NBG. The parties have agreed to resolve issues under the services agreement by entering into this settlement agreement, as amended by a supplemental agreement dated 25 June 2021.
Amount owing	US\$285,029.96
Interest	7.5% per annum.
Payment schedule	Payment of the amount owing by NBG to Indodrill will be satisfied as follows: • initial payment of US\$20,000 within three business days of the execution of the settlement agreement; • further payments of US\$20,000 on or before the 7th days of each January, April, July and October commencing on 7 January 2021, and ending on the date on which the substantial majority of the capital raised by Besra in the IPO is paid to or placed under the control of Besra (IPO Proceeds Availability Date); and • further equal monthly payments of such amount required to reduce the amount owing (plus interest payable) to nil within 18 months after the IPO Proceeds Availability Date. NBG did not make the payment due on 7 April 2021 within the time required and does not consider it will be in a position to make the payment due on 7 July 2021 (Overdue Payments) within the time required, however the parties have entered into a supplemental agreement pursuant to which: • Indodrill agrees to waive any default otherwise occurring with respect to the failure to make the Overdue Payments; • the parties agree that payment of the Overdue Payments is deferred to the earlier of 7 September 2021 and 7 days after the IPO Proceeds Availability Date; • NBG shall pay interest of 1.5% per month in respect of the Overdue Payments; and • NBG shall within a reasonable time following the IPO enter into a contract for 3,000 metres of exploration drilling services at the Project.

Term	Details
Guarantee	Besra unconditionally and irrevocably guarantees the payment of the amount owing by NBG to Indodrill, and the performance of NBG's obligations under the settlement agreement. If NBG fails to make any payment required under the settlement agreement, Besra must immediately (following written demand from Indodrill) pay the relevant amount in the same manner and currency as NBG was required to pay.
Right of first refusal	NBG grants to Indodrill a right of first and last refusal in respect of any exploration drilling it conducts at the Bau Gold Project until the last payment under the settlement agreement is due.
Default	Upon the occurrence of any event of default (as set out below), Indodrill may: • by written notice to NBG terminate the settlement agreement, whereupon the rights and liabilities of parties under the services agreement will be restored; • demand and require immediate payment of the amounts owing and recover that amount from NBG or Besra; or • exercise any right, power or privilege conferred by law. An event of default occurs where: • NBG defaults in carrying out any of its obligations under the settlement agreement and such default continues for 5 business days following service of a default notice by Indodrill; or • if NBG suffers an insolvency event.

9 Additional Information

9.1 Rights attaching to Shares

(a) General

The rights attaching to ownership of Shares (including Shares underlying CDIs) are detailed in the Articles and By-laws of the Company and, in certain circumstances, regulated by the CBCA, other applicable Canadian laws, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law. A copy of the Company's Articles and By-Laws may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company's CDIs upon listing on ASX. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders and Security holders in the Company. To obtain such a statement, persons should seek independent legal advice.

(b) Voting

Holders of Shares (including Shares underlying CDIs) are entitled to notice of, to attend and to one vote per Share held at any meeting of the Company's Shareholders (other than meetings of a class or series of shares other than the Shares).

A poll may be demanded before a vote for a show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the meeting, by any Shareholder or proxyholder present and entitled to vote on the resolution.

As holders of CDIs do not appear on the Company's share register, they are not entitled to vote at Shareholder meetings. However, the ASX Settlement Operating Rules require the Company to send notices of Shareholder meetings to each CDI Holder at the address recorded on the CDI register if any Shareholder meeting is convened. This notice must include a voting instruction form permitting the CDI holder to direct CHESS Depositary Nominees to cast proxy votes according to the wishes of the CDI Holder for whom it holds Shares.

The Company is obliged to collect and process these directions. CHESS Depositary Nominees is required to vote in accordance with the instructions it receives from CDI Holders. If a CDI Holder wishes to vote in person at a meeting of Shareholders (whether on a show of hands or on a poll), the CDI Holder will first need to convert their CDIs into Shares.

(c) Dividends

Subject to the CBCA (including a statutorily prescribed test as to insolvency), the ASX Listing Rules, the Articles and the By-Laws, holders of Shares are entitled to receive dividends on a per Share basis as and when declared by the Directors on the Shares as a class, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Company.

The ASX Settlement Operating Rules, which have the force of law under the Corporations Act, require the Company to treat CDI Holders as if they were the holders of the underlying Shares except in relation to voting rights. The ASX Settlement Operating Rules ensure that CDI Holders have the same economic benefits of ownership (such as the right to receive dividends, rights of issues and bonus issues) as Shareholders. Where

a dividend or cash distribution is made in a currency other than Australian dollars, it will be converted into Australian dollars. The payment will then be made to CDI Holders in Australian dollars in accordance with each CDI Holder's entitlement.

(d) Dividends

The directors may declare and authorise the distribution from the profits of the Company of dividends, to be distributed to Shareholders according to their rights and interests. The directors may determine the property to constitute the dividend and fix the time for distribution. Each holder of Shares is entitled to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, any such dividends declared by the Company.

(e) Issue of shares

The Company is authorised to issue an unlimited number of common shares without par value for such consideration determined by the Directors. Shares are non-assessable and may only be issued if consideration for such shares is fully paid.

(f) Variation of class rights

The CBCA provides that rights attaching to a class of shares may only be varied by an amendment to the articles approved by special resolution and if there is more than one class, by a special separate resolution of such class.

(g) Transfer of shares

Generally, Shares are freely transferable, subject to formal requirements and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of applicable law, including the CBCA. Applicable securities laws and rules of any stock exchange on which the Shares may be listed may also impose hold periods on such shares and certain shareholders or other restrictions on transfer.

(h) Small holdings

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Articles and By-Laws are followed. A non-marketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

(i) Restricted Securities

In the event of a breach of the ASX Listing Rules or a breach of a restriction agreement entered into by the Company under the ASX Listing Rules relating to Restricted Securities (as defined in the ASX Listing Rules), the Shareholder holding the Restricted Securities in question shall cease to be entitled to any dividends, distribution or any voting rights in respect of those Restricted Securities during the period of such breach.

(j) General meetings and notices

Subject to the Articles, the By-Laws and to the rights or restrictions attached to any shares or class of shares, each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at meetings of Shareholders and to receive all financial statements, notices and other documents required to be sent to Shareholders under the Articles, the By-Laws or the CBCA. Shareholders may requisition meetings in accordance with the CBCA, the Articles and the By-Laws.

(k) Winding Up

In the event of a winding up, once all the liabilities of the Company have been met subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, Shareholders shall receive the remaining property of the Company in equal rank with the holders of all other Shares in the Company.

(l) Directors – appointment and removal

The minimum number of Directors is three and the maximum is 15. Directors are elected at annual general meetings of the Shareholders. Each Director is subject to re-election annually. At least 25% of the Directors need to be residents in Canada (and at least 25% of Directors constituting a quorum need to be Canadian residents). The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the Directors who will then hold office until the next annual general meeting of the Shareholders. The Directors also may appoint additional directors above and beyond the number of directors elected at an annual general meeting by up to one-third of the number of directors elected at the previous annual general meeting.

(m) Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman does not have a second or casting vote.

(n) Directors' remuneration

Each Director is entitled to remuneration out of the funds of the Company as the Directors determine. The Company also may pay all reasonable and documented expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or participation in special committees.

(o) Alteration of share capital

Subject to the ASX Listing Rules, the CBCA, the Articles, the By-Laws and the Corporations Act, the Company may alter its share capital.

(p) Preference shares

The Company's articles do not currently authorise the issuance of any preference shares. Preference shares may only be created by the filing of articles of amendment to the Articles to create preference shares. The amendment of the Articles in such a manner requires the approval of the filing of articles of amendment by way of Special Resolution.

(q) Variation of the Articles and By-Laws

In accordance with the CBCA, amendments to the Articles typically require the approval of Shareholders, either by a majority or by Special Resolution, depending on the nature of the amendment. The By-laws can be amended with the approval of the Board of Directors, subject to the requirement to submit the amendment to Shareholders at the next meeting of the Shareholders and the Shareholders may, by ordinary resolution, confirm, reject or amend the by-law amendment.

(r) Share buy-backs

The Company may buy back shares in accordance with the provisions of the CBCA.

(s) ASX Listing Rules

As the Company is listed on ASX, the Articles and By-Laws provide that notwithstanding anything in the Articles and By-Laws, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Articles and By-Laws prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Articles and By-Laws to contain a provision or not to contain a provision the Articles and By-Laws is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Articles and By-Laws is or becomes inconsistent with the ASX Listing Rules, the Articles or By-Laws, as the case may be, is deemed not to contain that provision to the extent of the inconsistency.

9.2 Rights of CDI Holders

With the exception of voting rights, CDI Holders are generally entitled to equivalent rights as Shareholders whose securities are legally registered in their own name. The ASX Settlement Operating Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. These rights exist only under the ASX Settlement Operating Rules, rather than under the CBCA.

The ASX Settlement Operating Rules and Canadian securities legislation require the Company to give notices to CDI Holders of general meetings of Shareholders. The notice of meeting must include a voting instruction form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Operating Rules to lodge proxy votes in accordance with the directions of CDI Holders. CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Operating Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

9.3 Equity Incentive Plan

Besra has established an equity incentive plan (**Equity Incentive Plan**) to assist in the motivation, retention and reward of eligible employees and Directors. The Equity Incentive Plan is designed to align the interests of employees with the interests of CDI Holders by providing an opportunity for employees to receive an equity interest in Besra.

The Equity Incentive Plan provides for both short term incentive and long term incentive arrangements including the grant of options, performance rights, and/or shares as incentives, subject to the terms of individual offers.

The key terms and conditions of Besra's Equity Incentive Plan are set out below:

Term	Details
Awards	The Equity Incentive Plan provides for the grant of options, performance rights and/or Shares issued at a price, and subject to any grant or vesting conditions, determined by the Board in its sole and absolute discretion.
Eligible Employees	A full time or part time employee (including an executive director) or non-executive director of the Company, an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position, or an individual or company with whom there is a contract for the provision of services under which the individual or a director or their spouse performs work where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position (or their nominee).
Limits	Where an offer is made under the Equity Incentive Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or the total number of Shares which would be issued if the securities were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Equity Incentive Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
Entitlements	Notice of meeting, dividends on unvested Shares (subject to Shareholder approval and Board determination), capital reconstruction, bonus and pro rata issue adjustments (subject to Shareholder approval and Board determination) and potentially early exercise in a voluntary winding up (subject to the ASX Listing Rules and Board determination).
Dealing	Dealing restrictions exist other than: • for award Shares, if the dealing is compliant with the terms of the Share offer and any vesting conditions; and • for award options and performance rights, if the dealing has been approved by the Board or by force of law upon the death of the participant to his/her legal representative.
Vesting and Exercise	Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Equity Incentive Plan. The vesting conditions are determined prior to the granting of such options, performance rights and/or Shares by the Company. Vested options and performance rights can only be exercised during the exercise period specified in the invitation to participate in the Equity Incentive Plan. The exercise price per Share in respect of an option or performance right granted pursuant to the Equity Incentive Plan will be determined by the Board.

Term	Details
Lapse	Unvested Shares, options or performance rights that will lapse on the earliest of the Board determining that any applicable conditions have not been satisfied, the day immediately following the last exercise date (as set out in the invitation to participate in the Equity Incentive Plan) and in the circumstances below where the person ceases to be an employee of the Company. Subject to the Board's discretion, if a participant is dismissed for cause or, if the relevant employee is a Director, removed from office by Shareholders or otherwise disqualified from being a Director, unvested Shares will be forfeited, unvested options and performance rights will lapse and vested options and performance rights that have not been exercised will lapse on the date of cessation of employment or office. Subject to the Board's discretion, in all other circumstances if a participant ceases to be an employee then unvested Shares will be forfeited, unvested options and performance rights will lapse and vested options and performance rights that have not been exercised will continue in force and remain exercisable until the earliest of the last exercise date (as set out in the invitation to participate in the Equity Incentive Plan) and: • where the participant ceases to be an employee due to a special circumstance (ie, mental illness, total and permanent disablement or death), one year after the date of cessation of employment; or • where the participant ceases to be an employee in all other circumstances, 90 days after the date of cessation of employment or the date provided for in any employment agreement between the participant and the Company. Similar provisions apply to breach, fraud or misconduct. Forfeiture provisions also apply to unvested Shares, options or performance rights.
Change of control	On the occurrence of a change of control event, the Board may in its sole and absolute discretion and subject to the ASX Listing Rules, determine how unvested Shares, options and performance rights will be treated, including but not limited to: • determining that all or a portion of unvested Shares, options and performance rights will vest regardless of whether or not the employment, engagement or office of the participant is terminated or ceases in connection with the change of control event; and/or • reducing or waiving vesting conditions. For the purposes of the Equity Incentive Plan, a "change of control event" occurs where: • a Shareholder, or a group of associated Shareholders: – control sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board; or – gain the ability to control more than 50% of the Shares; • a plan of arrangement, merger, consolidation or amalgamation involving the Company occurs which results in Shareholders

Term	Details
	immediately prior to the plan being entitled to 50% or less of the voting shares in the Company resulting from that plan; - any Group company enters into an agreement to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group company) of the Group to a person, or number of persons, none of which are Group companies; or - the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group companies.
Clawback	The Board may clawback vested Shares, options and performance rights if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, which as a result means the vesting conditions were not or should not have been determined to have been satisfied.

(a) Issue of Options and Performance Rights to Directors and the Proposed Director

Upon completion of the Offers, the Company intends to offer Class A Incentive Options, Class B Incentive Options, Bonus Options and Performance Rights to Directors and the Proposed Director under the Equity Incentive Plan as set out in the table below. See Section 2.16 for the proposed escrow restrictions for each of these Securities.

Person	Bonus Options	Class A Incentive Options	Class B Incentive Options	Class A Performance Rights	Class B Performance Rights
Andrew Worland	500,000	750,000	750,000	-	-
Jon Morda	-	625,000	625,000	-	-
Mark Eaton	-	500,000	500,000	-	-
Paul Ingram	500,000	500,000	500,000	-	-
Robert Dunne ¹	-	250,000	250,000	-	-
John Seton	500,000	500,000	500,000	600,000	900,000
Total:	1,500,000	3,625,000	3,625,000	600,000	900,000

Notes:

1. Robert Dunne's appointment as Director is subject to Conditional Admission.

(i) Bonus Options

The Bonus Options will have an exercise price of \$0.25 (equating to a 25% premium to the Offer Price) and will expire four years from the date of Listing. The terms of issue of the Bonus Options are set out in Attachment B.

(ii) Incentive Options

The Class A Incentive Options will be exercisable at a 50% premium to the Offer Price (being, \$0.30) and the Class B Incentive Options will be exercisable at a 100% premium to the Offer Price (being, \$0.40) and will each expire five years from the date of Listing. Full terms are set out in Attachment C.

(iii) Performance Rights

Class A Performance Rights will vest:

- upon a 4Moz Resource being achieved at the Bau Gold Project within two years from Listing;
- if a sale of the Project occurs (as defined below); or
- upon a change of control (as defined below).

Class A Performance Rights expire two years from Listing.

Class B performance rights will vest:

- upon a 5Moz Resource being achieved at the Bau Gold Project within three years from Listing;
- upon completion of a feasibility study on the Bau Gold Project which evidences an IRR in excess of 30% using publicly available spot commodity pricing and verifiable industry assumptions;
- if a sale of Project occurs (as defined below); or
- upon a change of control (as defined below).

Class B Performance Rights expire three years from Listing.

For the purposes of the vesting hurdles:

- “change of control” means the acquisition by any person or by any person and all Joint Actors (as defined in Canadian securities laws), whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board; and
- “sale of the Project” means the direct or indirect sale by the Company more than a 33 1/3% interest in the Bau Gold Project.

The terms of issue of the Performance Rights are contained in Attachment D.

(b) Issue of Options and Performance Rights to Senior Management and consultants

Upon completion of the Offers, the Company intends to offer Bonus Options, Class A Incentive Options, Class B Incentive Options, and Performance Rights to certain Senior Management and consultants under the Equity Incentive Plan as set out in the table below. See Section 2.16 for the proposed escrow restrictions for these Securities.

Person	Bonus Options	Class A Incentive Options	Class B Incentive Options	Class A Performance Rights	Class B Performance Rights
Ray Shaw	500,000	-	-	1,500,000	2,000,000
Kevin Wright	-	-	-	500,000	750,000
Eryn Kestel	-	100,000	100,000	-	-
Consultants	500,000	400,000	400,000		
Total	1,000,000	500,000	500,000	2,000,000	2,750,000

9.4 Key differences between Canadian and Australian company law

The Company is a corporation existing under the federal laws of Canada and is subject to the CBCA, as well as the applicable Canadian common law and other federal laws. Canadian company law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes in which the companies are incorporated. In the case of the Besra, the relevant statute is the CBCA, the federal statute.

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the CBCA, applicable Canadian securities laws and Canadian common law, as applicable (together referred to as “Canadian law”).

This Section 9.4 contains a comparison of some of the material differences between the laws and regulations concerning companies incorporated in Canada as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such securities or interest in such securities. Shareholders and Security holders should consult with their own legal, financial and other advisors if they require further information. The laws, regulations, policies and procedures described are subject to change from time to time.

Item	Australian Law	Canadian Law
Corporate law and procedures generally	In Australia, the regulation of companies is generally governed by the Corporations Act. A limited liability company, incorporated under the Corporations Act, will generally be considered a separate legal entity from its shareholders. There are a number of corporate procedures that require shareholder approval via an ordinary or special resolution. Unless the Corporations Act or the company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution.	Unless the CBCA requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the CBCA, in general, ordinary resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company or its stakeholders, primarily shareholders.

Item	Australian Law	Canadian Law
	A special resolution requires 75% of the votes cast at the shareholders meeting.	
Transactions requiring shareholder approval	The Corporations Act requires certain matters to be approved by special resolution, including: (a) the change of name of the company; (b) modification or repeal of the company's constitution; (c) a selective reduction of capital or selective share buy-back; (d) the giving by the company of financial assistance in connection with the acquisition of shares in the company; (e) the conversion of the company from one type or form to another; (f) variation of class rights attaching to shares; (g) a decision to wind up the company voluntarily; and (h) the exercise of certain powers by a liquidator on a winding up.	The CBCA requires certain matters to be approved by special resolution, including: (a) amendment to the company's articles, in any material respect; (b) amalgamation with an unaffiliated company; (c) continuance under the laws of another jurisdiction; and (d) the sale, lease or disposition otherwise of all or substantially all of the company's undertaking other than in the ordinary course of business. In accordance with the CBCA, any amendment to the Articles must be approved by the type of resolution specified by the CBCA and/or the By-laws, in the particular circumstances.
Directors' management of the business of the company	In Australia, directors may exercise all the powers of the company except any powers that the Corporations Act, the ASX Listing Rules or the company's constitution requires the company to exercise in a general meeting.	Under the CBCA, the directors of the Company must manage or supervise the business and affairs of the company and may appoint and remove officers and specify their duties, subject to the CBCA. The By-laws provide that the Directors may, for each officer: (a) determine the functions and duties of the officer; (b) delegate to the officer the powers to manage the business and affairs of the Company; and (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.
Number and residence of directors	Under the Corporations Act, public companies must have a minimum of three directors and two directors must ordinarily be resident in Australia. Casual vacancies between annual general meetings may be filled by the company's Board, and the Board has the	Under the CBCA, public companies must have a minimum of three directors. At least 25% of the directors of a company governed by the CBCA must be resident Canadians unless the company has fewer than four directors in which case one director must be resident Canadian. Vacancies on the Board between annual meetings may be filled by the Board and the Board has the power to appoint additional directors above and beyond the number of directors elected at an annual general meeting by up to

Item	Australian Law	Canadian Law
	power to appoint additional directors up to any maximum number specified in its constitution.	one-third of the number of directors elected at the previous annual general meeting.
Removal of directors	In Australia, shareholders may remove a director before their period of office ends by passing a resolution to do so at a general meeting, and if thought fit, appoint another person in place of that director. The resolution must be passed by a majority of the votes cast by the company's shareholders present and voting. Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.	The CBCA provides that the shareholders of a company may, by ordinary resolution at a special meeting of shareholders, remove any director or directors from office. The Directors cannot themselves remove a director from his or her office or require a director ceases to be qualified to act as a director of a company and does not promptly resign.
AGM requirements	Under the Corporations Act, a public company is required to give notice to the company's shareholders, each director and its auditors. Under the Corporations Act, notice of an annual general meeting must specify the date, time and place of the meeting as well as the general nature of the business of the meeting.	Besra must provide at least 21 days' notice of the date, time and location of all shareholder meetings to registered shareholders of the Company entitled to vote at the meeting, to each director and to the Besra's auditors. As a "reporting issuer" under Canadian securities law, Besra must also give notice to beneficial Shareholders (including CDI Holders) who elect to receive such shareholder material. Management proxy circulars, in a required form must be provided in connection with any solicitation of proxies by management. The notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. A notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of Directors, reappointment of the incumbent auditor and consideration of the financial statements and auditor's report, is deemed to be special business. National Instrument 54-101 of the Canadian Securities Administrators <i>Communication with Beneficial Owners of Securities of a Reporting Issuer</i>, requires a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and, a record date for notice for the meeting which shall be no fewer than 30 and no more than 60 days before the meeting date and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date. The CBCA and the By-laws provide that if a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting. The By-laws provide that the presence of two persons present in person or represented by proxy, who are shareholders representing at least 5% of the issued shares entitled to be voted at the meeting, will constitute a quorum

Item	Australian Law	Canadian Law
		for that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.
Voting requirements and entitlements	Under the Corporations Act, each share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each shareholder present in person, or by proxy, attorney or representative, has one vote. If a poll is held, the holders of shares present in person or by their proxy, attorney or representative will have one vote for every share held at the record date for the meeting.	The CBCA provides that, unless a company's articles provide otherwise, each share of a company entitles the holder to one vote at a meeting of shareholders. Except in certain circumstances, a vote may be held on a show of hands. On a show of hands, each holder of Shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of Shares present in person or by proxy will have one vote for each Share held. The By-Laws provide that voting at a meeting of shareholders shall be by show of hands except for all ASX Listing Rule resolutions (which shall be decided by poll) or where a poll may be demanded by any shareholder or proxyholder entitled to vote at the meeting. The CBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the articles that affect the rights of such holders, whether or not such shares carry the right to vote.
Security holders' right to convene meeting	The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.	The CBCA as well as the By-Laws provide that the Company may call a meeting of shareholders at any time. The CBCA further provides that the holders of not less than 5% of the issued capital of the Company that carry the right to vote at a general meeting may requisition the directors of the Company to call a meeting of the Company shareholders for the purposes stated in the requisition. Under Canadian law, a shareholder proposal is a document setting out a matter that the submitter proposes to have considered at the next annual general meeting of the Company (Shareholder Proposal). The CBCA entitles a registered or beneficial holder of Shares eligible to be voted at a meeting of Shareholders to submit to the Company and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Shareholder Proposal. If the Company receives notice of a Shareholder Proposal and is soliciting proxies, it would then be required to set out the Shareholder Proposal in its management proxy circular (and, if requested by the person submitting the Shareholder Proposal, include or attach the Shareholder Proposal and a statement in support of the Shareholder Proposal). However, a Shareholder Proposal for the nomination for the election of directors is required to be signed by the holders of at least 5% of the outstanding shares entitled to vote at such meeting. The CBCA provides exemptions from the requirements to include a proposal in a company's management proxy circular in circumstances including where: (a) the Shareholder Proposal is not submitted to the corporation by at least the prescribed number of days before the anniversary date of the notice of meeting that was sent to shareholders in connection with the previous annual general meeting; (b) it clearly appears that the primary purpose of the Shareholder Proposal is to enforce a personal claim

Item	Australian Law	Canadian Law
		or redress a personal grievance against the company or its directors, officers or security holders; (c) it clearly appears that the Shareholder Proposal does not relate in a significant way to the business or affairs of the company; (d) substantially the same Proposal was submitted to shareholders in a management proxy circular or a dissident's proxy circular relating to a meeting of shareholders held not more than the prescribed period before the receipt of the Proposal and did not receive the prescribed minimum amount of support at the meeting; or (e) not more than the prescribed period before the receipt of a Proposal, a person failed to present, in person or by proxy, at a meeting of shareholders, a Proposal that at the person's request, had been included in a management proxy circular relating to the meeting.
Right to appoint proxies	Under the Corporations Act, shareholders have the right to appoint a proxy, who need not be a shareholder of the company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. To appoint proxies, shareholders will generally complete a proxy form, which is distributed in a notice of general meeting.	Every shareholder of the Company entitled to vote at a meeting of the Company may appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. Under the By-Laws, on a show of hands each holder of a share present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of a share present in person or by proxy will have one vote for each share held.
Changes to rights attaching to securities	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: (a) a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or (b) a written consent of members with at least 75% of the votes in the class.	In accordance with the CBCA, amendments to the special rights and restrictions attached to any issued Shares require the approval by Special Resolution of the holders of the class or series of shares affected.

Item	Australian Law	Canadian Law
Takeovers	In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a Relevant Interest (as defined in the Corporations Act) in issued voting shares of a company if, because of the transaction, a person's voting power in the company: (a) increases from 20% or below to more than 20%; or (b) increases from a starting point, which is above 20% but less than 90%. Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per six months. Australian law permits compulsory acquisition by 90% holders of shares.	Under applicable Canadian securities legislation, a "takeover bid" occurs when there is an "offer to acquire" outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliates and associates, constitute 20% or more of the outstanding securities, but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders. Unless an exemption is available, a takeover bid must be made to all holders of each class of voting or equity securities being purchased, at the same price per security – that is, identical consideration must be offered to each holder of securities. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. A bid must remain open for 105 days, unless the issuer elects for a shorter period and, among other things, issues a news release providing for a shorter period at the time or after the bid is made. Such a shorter period must be no less than 35 days. For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and with withdrawal, amendments or suspension of offers. Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the CBCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority security holders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining shareholder approval. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain statutorily prescribed procedural requirements. Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five normal persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class, the consideration paid does not exceed the market price at the date of acquisition and no acquisitions are made outside of the exemption over the 12 month period. A de minimis exemption also exists in circumstances where less than 50 beneficial shareholders are subject to the bid, and those shareholders collectively represent less than 2% of a class of securities. The Canadian securities regulatory authorities (CSA) have recognised that takeover bids play an important role in the

Item	Australian Law	Canadian Law
		economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of the Canadian securities legislation to be the protection of the bona fide interest of the shareholders of the target company. As certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights. Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include: (a) the issuance of or granting of an option on or the purchase of, securities representing a significant percentage of the outstanding securities of the target company; (b) the sale or acquisition or granting of an option, on or agreeing to sell or acquire assets of a material amount; and (c) the entering into of a contract or taking corporate action other than in the normal course of business. Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate. Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.
Substantial shareholder reporting	Under Australian law, a shareholder who begins to or ceases to have a “substantial holding” in an ASX listed company, or has a substantial holding in such a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to ASX. A person has a substantial holding if that person and that person’s associates have a Relevant Interest (as defined in the Corporations Act) in 5% or more of the voting shares in the company. It is also expected that, as a condition of admission, ASX will require reporting relating to substantial Shareholders in the Company as well as specified	Under applicable Canadian securities law, a person who acquired ownership and control, directly or indirectly, of more than 10% of the outstanding shares will be required to publicly disclose their holdings, and to file an early warning report with the applicable Canadian securities regulator. The early warning report discloses the person’s name, address, and certain details of surrounding their ownership of shares and securities of the Company convertible into or exercisable for shares.

Item	Australian Law	Canadian Law
	information to be included in the Company's annual reports (including, among other things, details of any substantial Shareholders) on and in accordance with the ASX Listing Rules.	
Protection of minority shareholders – oppressive conduct	In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.	Under the CBCA, on the application of a “complainant” (defined under the CBCA to include shareholders, former shareholders, directors and officers, former directors and officers, the director appointed under the CBCA to carry out duties and exercise powers under the CBCA, and any other persons who, in the discretion of the court, are proper persons to bring an action), the court may grant leave to prosecute or defend a legal proceeding in the name and on behalf of the company to enforce a right, duty or obligation owed to the company or to obtain damages for a breach of such a right, duty or obligation. In certain circumstances, the CBCA allows for a shareholder to apply to court to have an investigator appointed to investigate the company's affairs. The CBCA, to a large extent, has supplemented the Canadian common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf of the Company or any of its subsidiaries, the statutory provisions of the CBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the company. Certain substantive and procedural requirements must be met, including the court being satisfied that the complainant is acting in good faith and that the derivative action appears to be in the interests of the company or its subsidiary. In addition, a shareholder or other person whom the court considers appropriate may apply to the court for an order on the grounds that the affairs of the company are being or have been conducted or the powers of the directors are being or have been exercised in a manner that is oppressive to one or more shareholders or that some act or proposed act of the company or resolution of the shareholders is unfairly prejudicial to one or more shareholders. The court has the power to make any order it thinks fit to remedy the oppressive behaviour, including prohibiting or directing any act, appointing or removing directors or directing that the company be liquidated and dissolved.
“Two strikes” rule	Under Australian law, an ASX listed company is required to hold a “spill vote” if its remuneration report receives a 25% “No” vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors.	There is no “two-strikes” rule under the CBCA. Under the Articles, the Board determines the remuneration of the directors. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to the Company outside the ordinary duties of directors. Under applicable Canadian securities law, a report on executive compensation is required to be filed annually, within six months of the year end and is typically included in the management information circular for the annual meeting of Shareholders.

Item	Australian Law	Canadian Law
Rights of security holders to bring or intervene in legal proceedings	The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.	To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if: (a) the complainant has given notice to the Directors or its subsidiary of the complainant's intention to apply to the court not less than 14 days before bringing the application, or as otherwise ordered by the court, if the Directors or its subsidiary do not bring, diligently prosecute or defend or discontinue the action; (b) the complainant is acting in good faith; and (c) it appears to the court that it is in the interests of Besra or its subsidiary for the legal proceeding to be brought, prosecuted, defended or discontinued. The court has broad powers to direct the conduct of any such legal proceeding.
Shareholder right of dissent	No such rule exists under Australian law.	The CBCA provides shareholders with dissent rights in connection with certain corporate matters, generally including amalgamations, arrangements, the sale, lease or disposition of all or substantially all of the company's undertaking and continuance into another jurisdiction, which dissent rights entitle dissenting shareholders to receive payment of fair value for their shares from the company, provided they comply with the strict requirements set out under the CBCA.

9.5 Disclosure of interests

Details of the Directors' and Proposed Director's remuneration and relevant interests in the Securities of the Company as at the Prospectus Date are set out in the table below.

Director / Proposed Director	Shares / CDIs	% of Shares / CDIs on issue	Options	Performance Rights
Andrew Worland	Nil	Nil	Nil	Nil
Jon Morda	6,038	0.13%	Nil	Nil
Mark Eaton	4	<0.00%	Nil	Nil
Paul Ingram	Nil	Nil	Nil	Nil
Robert Dunne	Nil	Nil	Nil	Nil
John Seton	90,487	1.88%	Nil	Nil

9.6 Directors' relevant interests following completion of the Offers

Mr Worland has indicated his desire to participate in the Public Offer by subscribing for up to a maximum of 250,000 CDIs. Mr Eaton has indicated his desire to participate in the Public Offer by subscribing for up to a maximum of 200,000 CDIs. No other Director or Proposed Director intends to participate in the Public Offer.

Following completion of the Offers, and assuming allocations of CDIs are made to the Directors in accordance with their intended participation as stated above, the Directors'

and Proposed Director's proposed relevant interests in the Securities of the Company following Listing is as follows:

Director	Shares	Bonus Options	Class A Incentive Options	Class B Incentive Options	Class A Performance Rights	Class B Performance Rights
Andrew Worland	250,000	500,000	750,000	750,000	Nil	Nil
Jon Morda ²	142,085	Nil	625,000	625,000	Nil	Nil
Mark Eaton	200,000	Nil	500,000	500,000	Nil	Nil
Paul Ingram	Nil	500,000	500,000	500,000	Nil	Nil
Robert Dunne	Nil	Nil	250,000	250,000	Nil	Nil
John Seton ²	646,142	500,000	500,000	500,000	600,000	900,000

Note:

1. Actual remuneration for Directors will be pro-rata from the date of Conditional Admission.
2. This reflects an increase in the number of CDIs / Shares held as at the Prospectus Date to account for the number of CDIs to be issued to related entities pursuant to the Noteholder Offer.

9.7 Related party transactions

(a) Executive service agreements

The Company has entered into executive services agreements with each of John Seton, Dr Ray Shaw, Kevin Wright and Eryn Kestel, which are summarised in Section 8.5.

(b) Indemnity Deeds

The Company has entered into Indemnity Deeds with all Officeholders, which are summarised in Section 8.8.

(c) Jon Morda loan agreement

The Company has entered into a loan agreement with Jon Morda, a Director of the Company. The key terms of this agreement are set out below.

Term	Details
Parties	Besra Jon Morda
Description	The parties have entered into the loan agreement, whereby Mr Morda agrees to make available to Besra a C\$75,000 cash advance facility to be used for the working capital of Besra or its related bodies corporate. As at the Prospectus Date, C\$75,000 has been drawn down under the agreement.

Term	Details
Facility limit	C\$75,000
Establishment fee	C\$4,500
Interest	If there is no event of default (as set out below), 12% per annum. If there has been an event of default, 15% per annum.
Conditions to draw down	Besra may draw an advance if: • Mr Morda has received a drawing notice receipt (which states the proposed advance amount, advance date and terms and conditions of the advance) at least three, and not more than ten, business days before the proposed advance date; • the proposed advance date is a business day; • the proposed advance amount, together with all previous advances is equal to or less than the facility limit; • no event has occurred which constitutes, or which with the giving of notice, the lapse of time, or a relevant determination by Mr Morda would constitute, an event of default (as set out below); and • the first advance occurs before 31 March 2021 (or such other date agreed between parties).
Repayment	Besra must pay to Mr Morda the aggregate of all advances outstanding with interest on the earlier of 30 September 2021 or the date which is 20 business days after admission to the Official List. Besra may repay the whole or any part of the advances at any such earlier time by providing five business days' notice to Mr Morda. In this instance, interest will be payable to the date of repayment only. Any repayment by Besra will operate to reduce the facility limit by the amount of the advances repaid, if Mr Morda so elects.
Default	Upon the occurrence of an event of default (as set out below), Mr Morda may do anything he considers appropriate to recover the aggregate of all advances outstanding with interest, including without limitation: • cancelling the facility under the agreement; • demanding immediate payment of the aggregate of all advances outstanding with interest and recover those amounts from Besra; • exercising any right, power or privilege conferred by law or equity; or

Term	Details
	- performing any of Besra's obligations under the agreement. An event of default will occur where: - Besra defaults in its obligations under the agreement; - any indebtedness or obligation of Besra to any person (including Mr Morda) is not paid, met or satisfied when due, any creditor of Besra becomes entitled to declare any indebtedness due or Besra defaults under any charge or security in favour of any person; - an insolvency event occurs (which addresses insolvency events which are standard for an agreement of this nature); - Besra (or any person on behalf of Besra), breaches any undertaking at any time given to Mr Morda; - in Mr Morda's opinion, there is a material adverse change to Besra's financial condition; - any representation, warranty or other information provided by Besra to Mr Morda in connection with the facility becomes untrue, false or misleading; - all or any part of the agreement becomes void, illegal, invalid, unenforceable or of limited force, effect or value; - any default occurs under any collateral security; or - any part of an advance is used for an illegal or improper purpose.
Security	None.

(d) Mark Eaton loan agreement

The Company has entered into a loan agreement with Mark Eaton, a Director of the Company. The agreement is on the same terms as the loan agreement entered into with Jon Morda as set out in Section 9.7(c), with the exception that Mark Eaton may, at his election, direct any repayment of the loan to pay the subscription amount due under any subscription by Mark Eaton in the Public Offer.

(e) Other

Related party transactions may be proposed from time to time. Any such transactions occur in the normal course of business, and the terms and conditions of the transactions are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arms' length basis.

9.8 Interests of Directors

Other than as set out elsewhere in this Prospectus, no Director or Proposed Director holds, or has held within the two years preceding the Original Prospectus Date, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- the Offers,

and no amount (whether in cash, Securities or otherwise) has been paid or agreed to be paid and no benefit has been given or agreed to be given to any of those persons:

- as an inducement to become, or to qualify as, a Director; or
- for services rendered in connection with the formation or promotion of the Company or the Offers.

9.9 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or in the past two years has held, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- the formation or promotion of the Company; or
- the Offers.

During the 24 months preceding lodgement of this Prospectus with ASIC, the Company or its subsidiaries have paid, or have agreed to pay, the following fees to experts and advisers named in this Prospectus based on the Minimum Subscription:

	Estimated fees of the Offers (excluding GST) \$	Estimated fees for other services (excluding GST) \$
Canaccord Genuity (Australia) Limited	700,000	850,000
Grant Thornton Corporate Finance Pty Ltd	87,000	Nil
Grant Thornton Canada	78,000	Nil

	Estimated fees of the Offers (excluding GST) \$	Estimated fees for other services (excluding GST) \$
Grant Thornton NZ	12,500	425,000
Cube Consulting	60,000	30,000
Reddi & Co	25,000	Nil
Caravel Law Professional Corporation	72,800	76,837
Gilbert + Tobin	500,000	Nil
Computershare	40,000	110,000

9.10 Consents

Each of the parties referred to in the table below (**Consenting Parties**):

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn its written consent:
 - to be named in this Prospectus in the form and context which it is named; and
 - to the inclusion in this Prospectus of the statement(s) and / or report(s) (if any) by that person in the form and context in which they appear in this Prospectus.

Name	Role	Statement / Report
Canaccord	Lead Manager	Not applicable.
Boustead	US Placement Agent	Not applicable.
Grant Thornton Corporate Finance Pty Ltd	Investigating Accountant	Independent Limited Assurance Report in Section 5 and any other references to its contents in this Prospectus.
Grant Thornton NZ	Auditor	Audited financial reports for the periods ended 30 June 2018, 2019 and 2020 and reviewed financial report for the six months ended 31 December 2020 which are referenced in the Independent Limited Assurance Report in Section 5 and any other references to those in this Prospectus.

Name	Role	Statement / Report
Cube Consulting	Independent Geologist	Independent Technical Assessment Report in Attachment H and any other references to its contents in this Prospectus.
Reddi & Co	Malaysian lawyers	Solicitor's Report in Attachment G
Caravel Law Professional Corporation	Canadian lawyers	Not applicable.
Gilbert + Tobin	Australian lawyers	Not applicable.
Computershare Investor Services Pty Limited	Share Registry	Not applicable.
Gladioli	Joint Venture partner	Not applicable.
Kevin Wright	Competent person	Not applicable.

None of the Consenting Parties has authorised or caused the issue of this Prospectus or make any offer of Shares or CDIs.

In addition, Mr Andrew Worland consents to the inclusion in Section 1.2 of the statements relating to his intention to participate in the Public Offer and to any other references to those statements in this Prospectus in the form and context in which they appear.

9.11 Substantial holders of the Company

As at the Prospectus Date, Concept Capital Management Ltd is the only Security holder with a relevant interest in 5% or more of the total Securities on issue. As at the Prospectus Date, Concept Capital Management Ltd holds has a relevant interest of approximately 17.4%

On completion of the Offers, the following persons are expected to have a relevant interest in 5% or more of the total Securities on issue (based on the Minimum Subscription):

CDI Holder	Number of CDIs held	% of Shares / CDIs
Pangaea ¹	69,951,628	23.8
Concept Capital Management Ltd ²	21,201,543	7.2

Notes:

1. Pangaea is a special purpose vehicle formed for the clients of Jocelyn Bennett, a Swiss fiduciary, to invest in Besra.
2. Concept Capital Management Ltd is an institutional investor with a focus on natural resources.

9.12 Expenses of the Offer

The estimated total expenses of the Offers (excluding GST) for each of the Minimum Subscription and Maximum Subscription under the Public Offer are set out in the table below:

Item of expenditure	\$ estimate Minimum Subscription	\$ estimate Maximum Subscription
ASIC fees	3,206	3,206
ASX fees	135,000	135,000
Lead Manager fees	700,000	850,000
Australian legal fees	500,000	500,000
Canadian legal fees	72,800	72,800
Fees for Malaysian Solicitor's Report	25,000	25,000
Investigating Accountant's fees	87,500	87,500
Independent Geologist's fees	60,000	60,000
Other professional fees and supporting activities	87,500	87,500
Total	1,671,006	1,821,006

9.13 Accounts presentation and audit

From Listing, the accounts of the Group will be prepared and presented in US dollars.

The accounts will be prepared in accordance with Canadian accounting standards and audited in accordance with Canadian auditing standards which are equivalent to International Standards on Auditing.

9.14 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company.

9.15 Dividend policy

The Board anticipates that its focus will be on the exploration and development of the Bau Gold Project and that significant expenditure will be incurred in respect of this project. Accordingly, the Company does not expect to declare any dividends in the near future.

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and financial performance and position of the Company.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of the distributable earnings, operational results and financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Directors.

9.16 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- this Prospectus;
- the Articles and By-Laws; and
- the consents referred to in Section 9.10.

9.17 Continuous disclosure obligations

From Listing, the Company will be a “disclosing entity” (as defined in section 111AC of the Corporation Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities, subject to certain exceptions.

Price sensitive information will be publicly released through ASX before it is disclosed to CDI Holders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.18 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares or CDIs in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

9.19 Converting between Shares and CDIs

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares held on the Canadian register by:

- in the case of CDIs held through the issuer sponsored sub-register, contacting the Registry in Australia directly to obtain the applicable request form; or
- in the case of CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the Registry in Australia to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred on the Canadian register from CDN into the name of the CDI Holder and a registered book-entry position or certificate be issued. This will cause your Shares to be registered on the Canadian register of Shareholders and trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs by contacting their Canadian stockbroker or the Share Registry in Canada (as applicable). In this case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The CDIs will be tradeable on ASX.

At Listing, there will remain on issue up to 4,879,194 Shares on issue to legacy Shareholders on the Canadian register of members, which have not already been converted to CDIs and may be converted into CDIs from time to time.

9.20 ASIC Relief

Pursuant to ASIC Class Order CO14/827, ASIC has given class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and are held by CDN as the depositary nominee. The purpose of the relief is to remove any uncertainty about how offers of CDIs over underlying foreign securities are regulated under the Corporations Act, ensuring offers of CDIs are regulated as an offer of securities under the disclosure provisions of Chapter 6D of the Corporations Act.

Pursuant to the Class Order, the Company is required to provide the following information.

Topic	Explanation
Nature of CDIs	The Shares the subject of the Offers will trade on ASX in the form of CDIs. A CDI is a unit of beneficial ownership in a share (or beneficial interest in a share) or option of a foreign company, where the underlying share, interest or option is registered in the name of a depositary nominee (in this case CDN), for the purpose of enabling the foreign share, interest or option to be traded on ASX.
Specific features of CDIs	The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. Each CDI will represent one underlying Share. CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX. With the exception of voting rights, the CDI Holders are entitled to equivalent rights and

Topic	Explanation
	entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders.
Identity and role of CDN	The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514) (CDN). CDN is a wholly owned subsidiary of ASX. Legal title to the underlying Shares is held by CDN, on the Canadian register of Shareholders, for the benefit of the CDI Holder. CDN receives no fees from investors for acting as the depository nominee in respect of CDIs.
How to convert CDIs into Shares	Information on how to convert CDIs to Shares is set in Section 9.19.
Voting Rights	CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting. As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands. CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.
Dividends or other distributions	The ASX Settlement Operating Rules require that all economic benefits, such as dividends, bonus issues, or other distributions flow through to CDI Holders as if they were the legal owners of the underlying securities. As each CDI will represent one underlying Share, in the event the Company pays a dividend or undertakes a distribution CDI holders will receive the same benefit as if they were holding Shares.
Corporate Actions	The ASX Settlement Operating Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. These rights exist only under the ASX Settlement Operating Rules, rather than under the CBCA.
Takeovers	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Operating Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance. These rights exist only under the ASX Settlement Operating Rules, rather than under the CBCA.
Where can further information be obtained?	For further information in relation to CDIs, please refer to ASX Guidance Note 5 at: http://www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf

9.21 CHESS and Issuer Sponsorship

The Company will apply to participate in CHESS in respect of the CDIs, for those investors who have, or wish to have, a sponsoring stockbroker. ASX Settlement Pty Ltd, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register of CDI holders and an electronic CHESS sub-register of CDI holders. The Share Registry in Canada will maintain the register of holders of Shares, who in accordance with Canadian law, are entitled to be registered with those Shares in book-entry or certificated form upon request.

Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Under CHESS, the Company will not issue certificates to CDI Holders. Instead, CDI Holders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX will send a CHESS statement.

The CHESS statement will set out the number of CDIs issued under this Prospectus, provide details of your Holder Identification Number, the Participant Identification Number of the sponsor and the terms and conditions applicable to the CDIs.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Share Registry and will contain the number of CDIs issued to you under this Prospectus and your Security-holder Reference Number.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holdings in the Company during the preceding month.

Holders of Shares who do not, in accordance with instructions provided to their Canadian stockbroker or the Share Registry in Canada (as applicable), elect to convert those Shares to CDIs, will continue to hold those Shares, but will not be able to trade those Shares on the ASX.

9.22 ASX waivers

The Company has applied to ASX for the following waivers and confirmations:

- confirmation that the terms of the Performance Rights are appropriate and equitable for the purpose of ASX Listing Rule 6.1;
- a waiver from ASX Listing Rule 1.1 Condition 12 to permit Besra to have on issue, at the time of Listing, options (being the Performance Rights and warrants on issue to Forest Nominees) with an exercise price of less than \$0.20 each;
- a waiver from ASX Listing Rules 1.1 Condition 12 (issue to Forest Nominees only), 6.16, 6.19, 6.21 and 6.22 to permit Besra to have on issue at Listing warrants that do not comply with those ASX Listing Rules; and
- confirmation that Besra may prepare its financial accounts in US Dollars in accordance with Canadian accounting standards.

Save as noted above, the exercise price under each Option issued by the Company is at least \$0.20 in cash.

9.23 JORC Code

The Company confirms that all references to Exploration Targets, Exploration Results or estimates of Mineral Resources included in the Prospectus or in the Independent Technical Assessment Report have been prepared and reported on in accordance with the JORC Code.

The information in this Prospectus that relates to Exploration Targets, Exploration Results or estimates of Mineral Resources is based on information compiled by Mr Kevin Wright, a Fellow of the Institute of Materials, Minerals and Mining, a Chartered Engineer, and a Chartered Environmentalist. Mr Wright is a consultant working for Wrightech Engineering, and has been engaged by Besra. Mr Wright has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wright has given his prior written consent as to the form and context in which all references to Exploration Targets, Exploration Results or estimates of Mineral Resources have been disclosed in this Prospectus.

9.24 Privacy Act

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a CDI Holder and to facilitate distribution payments and corporate communications to you as a CDI Holder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that the Company or the Registry holds about you. If you wish to do so, please contact the Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

9.25 Summary of Canadian tax implications

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires, as beneficial owner, Shares pursuant to the Offers and who, at all relevant times, for purposes of the *Income Tax Act (Canada)* and the *Income Tax Regulations* (collectively, the **Tax Act**):

- (a) is not, and is not deemed to be, resident in Canada;
- (b) deals at arm's length with the Company;
- (c) is not "affiliated" with the Company;
- (d) holds the Shares as capital property;
- (e) does not use or hold, and is not deemed to use or hold, the Shares in a business carried on in Canada; and

- (f) has not entered into, with respect to their Shares a “derivative forward agreement”, “synthetic disposition arrangement” or a “dividend rental arrangement” each as defined in the Tax Act,

(Non-Canadian Holder).

This summary does not apply to a purchaser that is an insurer carrying on an insurance business in Canada and elsewhere.

This summary assumes that a purchaser of a CDI acquires a beneficial interest in, and is the beneficial owner of, the Share underlying the CDI.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (**Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed as, legal or tax advice to any particular Non-Canadian Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Shares should consult their own tax advisors having regard to their own particular circumstances.

(a) Currency conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Shares must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of dividends required to be included in the income of, and capital gains or capital losses realised by, a Non-Canadian Holder may be affected by fluctuations in the Canadian / Australian dollar exchange rate.

(b) Dividends

Dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Canadian Holder is entitled under any applicable income tax convention.

(c) Disposition

A Non-Canadian Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of the Shares, unless the Shares are “taxable Canadian property” to the Non-Canadian Holder for purposes of the Tax Act and the Non-Canadian Holder is not entitled to relief under an applicable tax convention between Canada and the country in which the Non-Canadian Holder is resident.

Generally, the Shares will not constitute taxable Canadian property to a NonCanadian Holder at a particular time provided that the Shares are listed at that time on a designated stock exchange (which includes the ASX), unless at any particular time during the 60-month period that ends at that time:

- (i) one or any combination of:
 - (A) the Non-Canadian Holder;
 - (B) persons with whom the Non-Canadian Holder does not deal with at arm's length; and
 - (C) partnerships in which the Non-Canadian Holder or a person described in paragraph (B) above holds a membership interest directly or indirectly through one or more partnerships

has owned 25% or more of the issued shares of any class or series of the capital stock of the Company, and
- (ii) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:
 - (A) real or immovable properties situated in Canada;
 - (B) "Canadian resource property" (as defined in the Tax Act);
 - (C) "timber resource property" (as defined in the Tax Act); and
 - (D) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists.

Generally, the Shares will constitute taxable Canadian property to a Non-Canadian Holder at a particular time if at the time the Shares are not listed on a designated stock exchange (as determined by Canada's Minister of Finance) and at any particular time during the 60-month period that ends at that time more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:

- (i) real or immovable properties situated in Canada;
- (ii) "Canadian resource property" (as defined in the Tax Act);
- (iii) "timber resource property" (as defined in the Tax Act); and
- (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Shares could be deemed to be taxable Canadian property. Non-Canadian Holders whose Shares may constitute taxable Canadian property should consult their own tax advisers.

10 Directors' Consent

This Prospectus is issued by Besra Gold Inc and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented in writing to the lodgement of this Prospectus with ASIC.



Andrew Worland
Chairman
FOR AND ON BEHALF OF BESRA GOLD INC.

11 Glossary

Term	Meaning
\$	means Australian dollars, unless otherwise stated.
A12 or Anomaly 12	has the meaning given in Section 3.13(a)(iii).
Accounting Standards	means accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Canada which are consistent with International Financial Reporting Standards.
Applicant	means an investor that applies for CDIs using an Application Form pursuant to this Prospectus, and Application has a corresponding meaning.
Application Form	means the original application form for CDIs accompanying this Prospectus.
Application Monies	means the amount accompanying an Application Form submitted by an investor.
Approved US Investor	means (i) any Noteholder resident in the United States who is an “accredited investor” (as defined in Rule 501(a) under the US Securities Act) (ii) any institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) under the US Securities Act) whom the Lead Manager has approved as a potential investor resident in the United States; and (iii) any accredited investor whom Boustead, as US selling agent has approved as a potential investor in the United States.
Articles	means the articles of the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.
ASX Listing Rules	means the listing rules of ASX.
ASX Recommendations	means the Corporate Governance Principles and Recommendations for Australian listed entities developed and released by the ASX Corporate Governance Council in order to promote investor confidence and to assist companies in meeting stakeholder expectations.
ASX Settlement	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Operating Rules	means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

Term	Meaning
Au	means gold.
Bau Gold Project or Project	means the Company's gold project located in the Bau goldfield in Sarawak, Malaysia, comprising Blocks A and B.
BLL	Besra Labuan Ltd (Company Number LL0843), a company incorporated in Malaysia.
BML	means Bau Mining Co Ltd (Company Number 28544), a company incorporated in Samoa.
Board	means the board of Directors.
Bonus Options	means the options to be issued to certain Directors, Senior Management and employees of the Company as detailed in Section 9.3(b).
Boustead	means Boustead Securities, LLC.
Broker Options	means the options to be issued to Boustead as detailed in Section 8.1(b), on the terms set out in Attachment D.
By-laws	means the by-laws of the Company.
CBCA	means the <i>Canada Business Corporations Act</i> , R.S.x. 1985 c. C-44.
CDI	means a CHESS Depositary Interest over a Share.
CDI Holder	means a holder of CDIs.
CDN or CHESS Depositary Nominees	means CHESS Depositary Nominees Pty Ltd (ABN 75 071 346 506).
CGU	has the meaning given in Attachment A.
Chairman	means the chairman of the Company from time to time.
CHESS	means the ASX Clearing House Electronic Sub-register System.
Closing Date	means the closing date for receipt of Application Forms under this Prospectus.
Company or Besra	means Besra Gold Inc (ARBN 141 335 686) or it and its subsidiaries as the context requires.
Conditional Admission	means the first date on which ASX has confirmed that it has resolved on a conditional basis to admit Besra to the Official List and the Minimum Subscription under the Public Offer has been raised.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
COVID-19	has the meaning given in Section 7.4(b).

Term	Meaning
D4	has the meaning given in Section 3.9(a).
Directors	means directors of the Company, including the Proposed Director upon Conditional Admission.
DKNP	means the Dered Krian National Park.
EPA	means the Sarawak Environmental Protection Agency.
Equity Incentive Plan	means Besra's equity incentive plan, as summarised in Section 9.3.
Exclusive Prospecting Licence	has the meaning given in the Solicitor's Report.
Exit Financing	means the financing that completed on 19 November 2016, which amongst other transactions, resulted in the issuance by Besra of the Pangaea Note.
Expiry Date	means the date that is 13 months after the Original Prospectus Date.
Exploration Results	has the meaning provided by the JORC Code.
Exploration Target	has the meaning provided by the JORC Code.
Exposure Period	means the period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to 7 days.
Financial Information	means the financial information set out in Section 4.
Forest Nominees	means Forest Nominees Limited.
FVOCI	has the meaning given in Attachment A.
FVTPL	has the meaning given in Attachment A.
General Prospecting Licence	has the meaning given in the Solicitor's Report.
Gladioli	means Gladioli Enterprises Sdn Bhd (Company Number 89270-K), a company incorporated in Malaysia.
Gladioli Companies	has the meaning given in the Solicitor's Report.
Golden Celesta	means Golden Celesta Sdn Bhd (Company Number 691952-M), a company incorporated in Malaysia.
Group	means the Company and its subsidiaries (as defined in the Corporations Act).
g/t	means grams per tonne.
Ha	means hectares

Term	Meaning
Historical Financial Information	has the meaning given in Section 4.
IFRS	means the International Financial Reporting Standards.
Incentive Options	means the Class A Incentive Options or the Class B Incentive Options, as the context requires, as summarised in Section 9.3(a).
InCoR	means InCoR Holdings Limited (Company Number 08586768), a company incorporated in the UK.
InCoR Note	has the meaning given in Section 8.6(b).
Indemnity Deed	Means the deed of access, indemnity and insurance entered into by the Company and each of the Officeholders as described in Section 8.8.
Independent Geologist	means Cube Consulting Pty Ltd.
Independent Limited Assurance Report	means the report prepared by the Investigating Accountant set out in Section 5.
Independent Technical Assessment Report or ITAR	means the report of the Independent Geologist in Attachment H.
Indodrill	means Indodrill (Malaysia) Sdn. Bhd.
Investigating Accountant	means Grant Thornton Corporate Finance Pty Ltd.
IPO	means the initial public offering of CDIs detailed in this Prospectus.
IRR	means Internal Rate of Return.
Joint Venture	means the joint venture between the Company and Gladioli with respect to the Bau Gold Project.
JORC Code or JORC Code 2012	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, unless otherwise stated.
Lead Manager or Canaccord	means Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Lead Manager Mandate	means the mandate between the Company and the Lead Manager as set out in Section 8.1(a).
Lead Manager Options	means the options to be issued to the Lead Manager as set out in Section 8.1(a), on the terms set out in Attachment D.
Listing	means the date the Company is admitted to the official lists of the ASX.
Maximum Subscription	means \$12,500,000, equating to the issue of 62,500,000 CDIs.

Term	Meaning
Measured and Indicated or Measured and Indicated Resources	has the meaning provided in the JORC Code.
Mineral Resources or Resources	means the meaning provided in the JORC Code.
Minimum Subscription	means \$10,000,000, equating to the issue of 50,000,000 CDIs.
Mining Certificate or MC	has the meaning given in the Solicitor's Report.
Mining Lease or ML	has the meaning given in the Solicitor's Report.
ML 134 or Mining Lease 134	means Mining Lease 1D/134/ML/2008.
ML 140 or Mining Lease 140	means Mining Lease 05/2012/1D.
ML 143 or Mining Lease 143	means Mining Lease 02/2012/1D.
Moz	means million ounces.
NBG	means North Borneo Gold Sdn Bhd (Company Number 666174-A), a company incorporated in Malaysia.
NI 43-101	means National Instrument 43-101.
Non-Canadian Holder	has the meaning given in Section 9.25.
Notes	means the unsecured convertible notes which we were issued to certain creditors of the Company in connection with its emergence from insolvency in 2016 as set out in Section 3.2.
Noteholder Offer	has the meaning given in Section 2.7.
Novus Advances	means the pre-IPO advance detailed in Section 2.7(b).
Novus Capital	means Novus Capital Limited.
Offer Period	means the period in which the Offers are open.
Offer Price	means \$0.20 per CDI.
Offers	means the Public Offer and the Noteholder Offer.
Officeholder	has the meaning given in Section 8.8.
Official List	means the official list of ASX.
Official Quotation	means quotation on the Official List.
Opening Date	means the opening date for receipt of Application Forms under this Prospectus being 12 July 2021.
Option	means either the Lead Manager Options, Broker Options or the Incentive Options, as the context requires.

Term	Meaning
oz	means ounces.
Original Prospectus	means the prospectus lodged by the Company with ASIC on 22 April 2021, which is replaced by this Prospectus.
Original Prospectus Date	means the date on which the Original Prospectus was lodged with ASIC.
Pangaea	means Pangaea Resources Limited.
Pangaea Escrow Shares	has the meaning given in Section 8.6(a).
Pangaea Note	has the meaning given in Section 8.6(a).
Performance Rights	means the performance rights in the Company on the terms set out in Attachment E.
Permits	means the permits in which the Company has an interest, as set out in the Solicitor's Report.
Pre-IPO Investors	means investors in the Company who invested pursuant to the Novus Advances and the Pre-IPO Notes as described in Section 2.7(b).
Pre-IPO Notes	means the convertible notes issues to Pre-IPO Investors as described in Section 2.7(b).
Privacy Act	means the <i>Privacy Act 1988</i> (Cth).
Proposed Amendments	has the meaning given in Section 9.25.
Proposed Director	has the meaning given in Section 6.1.
Prospectus	means this prospectus.
Prospectus Date	means the date this Prospectus is lodged with the ASIC.
Public Offer	means the offer under this Prospectus of between 50,000,000 and 62,500,000 CDIs by the Company to the public at the Offer Price.
Registry or Share Registry	means in Australia, Computershare Investor Services Pty Ltd and in Canada, Computershare Investor Services Inc.
Restricted Securities	means Securities expected to be the subject of restriction agreements under Appendix 9 of the ASX Listing Rules, as set out in Section 2.16.
Restructure	means the series of transactions outlined in Section 2.7 of this Prospectus by which Besra will be relieved of certain debt and obligations, subject to Conditional Admission.
Section	means a section of this Prospectus.
Secured Creditors	means Pangaea and InCoR.

Term	Meaning
Security	means a Share, CDI, Option, Performance Right Warrant.
Senior Management or Senior Manager	means the persons set out in Section 8.8.
SGS	means SGS (Malaysia) Sdn Bhd (Company No. 10871-T).
Share	means a common share in the capital of the Company.
Shareholder	means a holder of Shares.
Solicitor's Report	means the report contained in Attachment G.
Special Resolution	means a resolution passed by a majority of not less than two-thirds of the votes cast by Shareholders who voted in respect of that resolution or signed by all the Shareholders entitled to vote on that resolution.
SPSA	means the Sale and Purchase of Shares Agreement between Gladioli, BLL and Besra dated 1 October 2010 (as amended and restated from time to time).
SPSA Variation	means the amendment to the SPSA described in Section 8.4.
Swap Agreement	means the swap agreement as set out in Section 8.6(a) or 8.6(b).
Tax Act	has the meaning given in Section 9.25.
tpd	means tonnes per day.
Unsecured Noteholders	means holders of the Notes.
US Offering Circular	means the offering circular that must accompany any distribution of the Prospectus in the United States to Approved US Investors.
US Securities Act	means the US Securities Act of 1933.
Warrants	means the warrants on issue to Forest Nominees on the terms set out in Attachment F.

Attachment A Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the Historical Financial Information set out in this Prospectus.

1.1 Basis of preparation

The consolidated financial statements of Besra have been prepared on an accrual basis and are based on historical costs, except for financial instruments that are measured at fair value. The financial statements are presented in United States dollars (USD) which is also the functional currency of the Group and are rounded to the nearest dollar unless otherwise stated.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Besra Gold Inc. and the entities it controls as listed below:

Company Name	Jurisdiction	Ownership % 31 December 2020
Besra NZ Limited (formerly OYM NZ Limited)	New Zealand	100.0
North Borneo Gold Sdn Bhd	Malaysia	87.1
Bau Mining Co Ltd	Samoa	91.0
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited)	Malaysia	100.0

1.3 Going concern

The Historical Financial Information was prepared on a going concern basis which anticipates the Company and the entities it controls will be able to continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

1.4 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.5 Exploration and evaluation expenditure

Exploration and evaluation assets include the costs of acquiring rights and licences, costs associated with exploration and evaluation activity (eg, geological, geophysical studies,

exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset purchase.

The Group follows the practice of capitalising all costs related to the acquisition of, exploration for and evaluation of mineral claims and charging all revenue received until production is achieved against the cost of related claims.

Costs incurred before Besra has obtained the legal rights to explore an area are recognised in the consolidated statements of profit or loss and other comprehensive income.

Capitalised costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on sale of the respective areas of interest, or alternatively successful development and commercial exploitation.

Where a decision has been made to develop an exploration and evaluation asset or assets into a mining operation, the accumulated exploration and evaluations costs for the project would be reclassified as mining properties. Mining properties would be tested for impairment and the accumulated costs, subject to any impairment or revaluation, would then be amortised over the proven and probable reserves, or measured and indicated resources where the criteria to establish proven and probable reserves have not been met.

1.6 Impairment of exploration and evaluation assets

The Board reviews and evaluates the Group's exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The evaluation considers:

- the period of the right to explore, its expiry date and whether it is expected to be renewed;
- any substantive expenditure on further exploration or evaluation that is not budgeted or planned;
- whether any exploration has resulted in resources in a specific area not having commercially viable quantities of mineral resources and further activity will be discontinued in that area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount may exceed the recoverable amount, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units (**CGUs**)). The Group's CGUs are its individual exploration properties.

Impairment losses are recognized as operating expenses in the period they are incurred. When an impairment loss reverses in a subsequent period, the carrying amount of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously.

Reversals of impairment losses are recognized in profit or loss with the consolidated statement of profit or loss and other comprehensive income in the period the reversals occur.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.8 Financial instruments recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- Amortised cost;
- Fair value through profit or loss (**FVTPL**);
- Fair value through other comprehensive income (**FVOCI**).

In the period presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

The Group's financial liabilities include derivative liabilities, borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability to be accounted for at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in consolidated statement of profit or loss.

All derivative financial instruments are accounted for at FVTPL and the change in fair value are presented in the statement of profit or loss. All interest-related charges are included within finance charges.

1.9 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within a three-level hierarchy, based on observability of significant inputs, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- **Level 3:** unobservable inputs for the asset or liability. Inputs into the determination of the fair value require management judgment or estimation.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes to valuation methods may result in transfers into or out of an investment's assigned level.

1.10 Employee entitlements

Liabilities are recognized for short-term employee entitlements, on an undiscounted basis, for services rendered by employees that remain unpaid at each reporting date in the consolidated statement of financial position.

1.11 Current tax

Current tax for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the date of the consolidated statement of financial position and includes adjustments to tax payable or recoverable in respect of previous periods.

1.12 Deferred tax

Deferred tax is recognized using the liability method in respect of all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes, except as indicated below:

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

- where the deferred income tax liability arises from the initial recognition of goodwill, or 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 taxable temporary differences associated with investments in subsidiaries, where 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the date of the consolidated statement of financial position.

1.13 Significant judgements, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, and provisions for restoration and environmental obligations.

The most significant judgements, estimates and assumptions used in the preparation of these consolidated financial statements include:

(a) Judgements:

- (i) Determination of functional currency of entities within the Group.
Determining the appropriate functional currencies for each entity in the Group requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence financing, labour, materials, and other costs of providing goods or services.
- (ii) The convertible notes issued by the Group are complex with varying features which could, depending on judgements applied, result in a number of possible accounting treatments based on the application of IFRS. The main judgement made in determining the accounting treatment for the convertible notes is whether the notes should be split into multiple elements (i.e. base loan, warrants or interest) with a different accounting treatment for each element or treated as a single instrument meeting the definition of a derivative.
- (iii) Determine whether the Company remains a going concern.

(b) Estimates:

- (i) Assessment of whether the exploration and evaluation intangible asset is impaired. The future recoverability of the exploration and evaluation asset is dependent on a number of key factors such as gold price and determination

of reserves. As the Group is only in the exploration phase of operations the Directors have used the fair value less costs to sell method using an income approach to test the exploration and evaluation asset for impairment. Fair value is estimated based on an associated enterprise value per resource ounce multiple methodology for relevant comparable companies in conjunction with an independent market assessment of the Company as a whole. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

- (ii) The Directors have also taken into account impairment testing relying upon advice from an independent party who arrived at a pre-IPO asset value based on pre-IPO funding arranged by the Company and the proposed raising as part of an IPO and re-listing on the ASX. The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset.
- (iii) Fair value determination of financial instruments carried at fair value. Derivative financial instruments are recorded in the Consolidated Statement of Financial Position at values that are representative of or approximate their fair value. The fair value of derivatives requires application of the most appropriate valuation model which is dependent on the terms and conditions of the instrument.
- (iv) For the Historical Financial Information the liabilities were valued using an income approach to calculate the fair value which incorporates both the timing and risk of receiving the expected payoff amounts. The valuation used estimates to determine the possible future outcomes, the timing and expected proceeds, with the expected proceeds discounted using a risk-adjusted discount rate with the resulting present value probability weighted to arrive at the fair value. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

Attachment B Terms of Issue of Incentive Options

The terms of the Incentive Options are:

- (a) **issue price:** the Incentive Options will be issued for no consideration;
- (b) **transferability:** the Incentive Options will not be quoted and are not transferable;
- (c) **entitlement:** each Incentive Option entitles the holder to subscribe for one CDI in the Company upon exercise of each Incentive Option;
- (d) **exercise price:** the Class A Incentive Options have an exercise price of \$0.30 each and the Class B Incentive Options have an exercise price of \$0.40 each;
- (e) **cashless exercise:** the holder may, in its sole discretion, exercise Incentive Options held in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise, elect instead to receive upon such exercise the "Net Number" of CDIs determined according to the following formula (**Cashless Exercise**):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of this formula -

A = the total number of Shares with respect to which the options held by such optionee are then being exercised,

B = the volume weighted average trading price of the Shares calculated by dividing the total value of shares traded by the total volume of shares traded on all stock exchanges trading the shares of Shares on the date immediately preceding the date of exercise of the Options; and

C = the exercise price then in effect for the applicable Shares at the time of such exercise;

- (f) **vesting:** one-third of the Incentive Options will vest on the date of grant, one-third will vest on the first anniversary of the date of grant and the remaining third will vest on the second anniversary of the date of grant. The Incentive Options will automatically vest on a Change of Control or Sale of the Project. For the purposes of the vesting hurdles:
 - (i) "Change of Control" means the acquisition by any person or by any person and all Joint Actors (as defined in Canadian securities laws, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
 - (ii) "Sale of the Project" means the direct or indirect sale by the Company more than 33 1/3% interest in the Bau Gold Project.
- (g) **expiry date:** the Incentive Options will expire five years from the date of issue. The Incentive Options may be exercised at any time after issue and prior to the expiry date. An Incentive Option not exercised before the expiry date will automatically lapse on the expiry date;
- (h) **exercise:** the Incentive Options may be exercised by providing notice in writing to the Company before the expiry date specifying:

- (i) the number of Incentive Options being exercised; and
- (i) a cheque or electronic funds transfer for the exercise price for the number of Incentive Options being exercised, or election of Cashless Exercise,

and the notice is only effective when the Company has received the full amount of the exercise price in cleared funds;

- (i) **ranking of CDIs:** all CDIs issued upon the exercise of the Incentive Options will rank equally in all respects with the Company's then issued CDIs. The Company will apply to the ASX for quotation of all CDIs issued upon exercise of the Incentive Options;
- (j) **participation rights:** there are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues or pro-rata issues of capital offered to holders of CDIs in the Company during the term of the Incentive Options. Thereby, the holder has no rights to a change in the exercise price of the Incentive Options or a change to the number of underlying securities over which the Incentive Options can be exercised, except in the event of a Bonus Issue (defined below). The Company will ensure, for the purposes of determining entitlements to any issue, that the holder is notified of a proposed issue after it is announced. This will give the holder the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in such issues;
- (k) **bonus issue:** if on or prior to the expiry date the Company makes a bonus issue of securities to holders of Shares or CDIs (**Bonus Issue**), then upon exercise of his or her Incentive Options a holder will be entitled to have issued to him or her (in addition to the Shares or CDIs which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Incentive Options had been exercised before the record date for the Bonus Issue; and
- (l) **reconstruction of Share capital:** in the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

Attachment C Terms of Issue of Bonus Options

The terms of the Bonus Options are:

- (a) **issue price:** the Bonus Options will be issued for no consideration;
- (b) **transferability:** the Bonus Options will not be quoted and are not transferable;
- (c) **entitlement:** each Bonus Option entitles the holder to subscribe for one CDI in the Company upon exercise of each Bonus Option;
- (d) **exercise price:** the Bonus Options have an exercise price of \$0.25 each;
- (e) **cashless exercise:** the holder may, in its sole discretion, exercise Incentive Options held in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise, elect instead to receive upon such exercise the "Net Number" of CDIs determined according to the following formula (**Cashless Exercise**):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of this formula -

A = the total number of Shares with respect to which the options held by such optionee are then being exercised,

B = the volume weighted average trading price of the Shares calculated by dividing the total value of shares traded by the total volume of shares traded on all stock exchanges trading the shares of Shares on the date immediately preceding the date of exercise of the Options; and

C = the exercise price then in effect for the applicable Shares at the time of such exercise;

- (f) **vesting:** the Bonus Options vest immediately upon grant;
- (g) **expiry date:** the Bonus Options will expire four years from the date of issue. The Bonus Options may be exercised at any time after issue and prior to the expiry date. A Bonus Option not exercised before the expiry date will automatically lapse on the expiry date;
- (h) **exercise:** the Bonus Options may be exercised by providing notice in writing to the Company before the expiry date specifying:
 - (i) the number of Bonus Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of Bonus Options being exercised or election of Cashless Exercise,

and the notice is only effective when the Company has received the full amount of the exercise price in cleared funds;

- (i) **ranking of CDIs:** all CDIs issued upon the exercise of the Bonus Options will rank equally in all respects with the Company's then issued CDIs. The Company will apply to the ASX for quotation of all CDIs issued upon exercise of the Bonus Options;
- (j) **participation rights:** there are no participation rights or entitlements inherent in the Bonus Options and holders will not be entitled to participate in new issues or pro-rata issues of capital offered to holders of CDIs in the Company during the

term of the Bonus Options. Thereby, the holder has no rights to a change in the exercise price of the Bonus Options or a change to the number of underlying securities over which the Bonus Options can be exercised, except in the event of a Bonus Issue (defined below). The Company will ensure, for the purposes of determining entitlements to any issue, that the holder is notified of a proposed issue after it is announced. This will give the holder the opportunity to exercise their Bonus Options prior to the date for determining entitlements to participate in such issues;

- (k) **bonus issue:** if on or prior to the expiry date the Company makes a bonus issue of securities to holders of Shares or CDIs (**Bonus Issue**), then upon exercise of his or her Bonus Options a holder will be entitled to have issued to him or her (in addition to the Shares or CDIs which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Bonus Options had been exercised before the record date for the Bonus Issue; and
- (l) **reconstruction of Share capital:** in the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

Attachment D Terms of issue of Lead Manager Options

The terms of the Lead Manager Options are:

- (a) **issue price:** the Lead Manager Options will be issued for nil cash consideration in recognition of the redemption of the Unsecured Notes;
- (b) **entitlement:**
 - (i) each Lead Manager Option entitles the holder (**Optionholder**) to be issued one ordinary fully paid Share in the capital of the Company on exercise of the Lead Manager Option; and
 - (ii) at all times whilst the Company is admitted to the Official List of the ASX as a foreign listing and CDIs are quoted over the Company's Shares a reference to Shares will be taken to be CDIs as appropriate;
- (c) **quotation of Lead Manager Options:** the Company will not apply for official quotation of the Lead Manager Options on ASX;
- (d) **exercise price:** the Lead Manager Options have an exercise price of \$0.25 each;
- (e) **expiry date:** the Lead Manager Options will expire 4 years from the date of Listing. The Lead Manager Options will expire at 5.00pm (AWST) on the expiry date. Any Lead Manager Options not exercised before the expiry date will automatically lapse on the expiry date;
- (f) **notice of exercise:** the Optionholder may exercise their Lead Manager Options by lodging with the Company, on or prior to the expiry date:
 - (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
 - (ii) a written notice of exercise of Lead Manager Options specifying the number of Lead Manager Options being exercised (**Exercise Notice**); and
 - (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Lead Manager Options being exercised or other means of payment acceptable to the Company. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds;
- (g) **timing of issue of Shares and quotation of Shares on exercise:** within 5 business days after the valid exercise of an Lead Manager Option by the Optionholder, the Company will:
 - (i) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled;
 - (ii) issue a substitute holding statement for any remaining unexercised Lead Manager Options held by the Optionholder;
 - (iii) if required and subject to paragraph (i) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules;

- (h) **ranking:** all Shares issued upon the exercise of Lead Manager Options will upon issue rank equally in all respects with the then issued Shares;
- (i) **restrictions on transfer of Shares:** if the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Lead Manager Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act and other applicable securities laws (and ASIC Class Order(s) applying to CDIs from time to time);
- (j) **quotation of Shares on exercise:** the Company will apply for official quotation on ASX of all Shares issued upon exercise of the Lead Manager Options within 10 Business Days after the date of issue of those Shares;
- (k) **transferability:** the Lead Manager Options will not be transferable;
- (l) **participation in new issues:** there are no participation rights or entitlements inherent in the Lead Manager Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue;
- (m) **bonus issues:** if the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Lead Manager Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Lead Manager Option before the record date for the bonus issue; and
 - (ii) no change will be made to the exercise price for the Lead Manager Options;
- (n) **entitlement issue:** if the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of a Lead Manager Option will not be adjusted following an entitlement offer; and
- (o) **reorganisation:** if there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the ASX Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Attachment E Terms of Issue of Performance Rights

The terms of the Performance Rights are:

- (a) **issue price:** the Performance Rights will be issued for no consideration;
 - (b) **transferability:** the Performance Rights will not be quoted and, subject to paragraph (o), are not transferable;
 - (c) **entitlement:** each Performance Right entitles the holder to subscribe for one CDI in the Company upon exercise of each Performance Right;
 - (d) **exercise price:** the Performance Rights have a nil exercise price;
 - (e) **Vesting:** subject to paragraph (f), Performance Rights will vest as follows:
 - (i) Class A performance rights will vest:
 - (A) upon a 4Moz Resource being achieved at the Bau Gold Project within two years from Listing; or
 - (B) if a Sale of the Project occurs; or
 - (C) upon a Change of Control; and
 - (ii) Class B performance rights will vest:
 - (A) upon a 5Moz resource being achieved at the Bau Gold Project within three years from Listing;
 - (B) upon completion of a feasibility study on the Bau Gold Project which evidences an IRR in excess of 30% using publicly available spot commodity pricing and verifiable industry assumptions;
 - (C) if a Sale of Project occurs; or
 - (D) upon a Change of Control;
- for the purposes of the vesting hurdles:
- (iii) “Change of Control” means the acquisition by any person or by any person and all Joint Actors (as defined in Canadian securities laws, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company; and
 - (iv) “Sale of the Project” means the direct or indirect sale by the Company more than 33 1/3% interest in the Bau Gold Project; and
 - (v) in the event of Change in Control, the total number of Performance Rights then on issue that will vest is capped at 10% of the Shares on issue immediately following vesting under this paragraph. In the event that the 10% cap is applicable, the vesting will be completed on a pro rata basis across each of Performance Rights then on issue as well as on a pro rata

basis for each holder. Performance Rights that do not vest under this paragraph will continue to be held by the holders on the same terms and conditions;

(f) **vesting procedure:**

(i) as soon as reasonably practicable after the end of the relevant period for achieving a Milestone (**Relevant Date**), the Board shall determine in respect of each holder as at that Relevant Date:

- (A) whether, and to what extent, the relevant Milestone has been satisfied;
- (B) the number of Performance Rights (if any) that will vest; and
- (C) the number of Performance Rights (if any) that will lapse as a result of non-satisfaction of the relevant Milestone as at the Relevant Date,

and shall provide written notification to each holder as to that determination; and

(ii) subject to compliance with all applicable laws, the Company will, within 15 business days of delivery to the Company of the holder's signed notice of exercise and the certificate(s) applicable to the Performance Rights (if any), issue to the holder, for nil consideration, the relevant number of Shares and, if applicable, deliver to the holder a replacement certificate reflecting the number of those Performance Rights which remain unexercised;

(g) **no voting rights:** the Performance Rights do not entitle the holder to vote on any resolutions proposed at a general meeting of the shareholders of the Company except:

- (i) where the resolution is to amend the rights attaching to the Performance Rights; or
- (ii) as otherwise required by law;

(h) **no dividend rights:** the Performance Rights do not entitle the holder to any dividends.

(i) **no rights to return of capital:** the Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;

(j) **no rights on winding up:** the Performance Rights do not entitle the holder to participate in the surplus profits or assets of the Company upon the winding up of the Company;

(k) **reconstruction of Share capital:** in the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules;

(l) **participation in entitlements and bonus issues:** The Performance Rights do not entitle a holder (in their capacity as a holder of Performance Rights) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues;

- (m) **lapsing of Performance Rights:** a Performance Right lapses, to the extent it has not vested:
 - (i) in the case of the Class A Performance Rights, on the date that is two years from Listing; and
 - (ii) in the case of the Class B Performance Rights, on the date that is three year from Listing;
- (n) **fraudulent or dishonest acts:** If in the opinion of the Board, a holder acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company, then the Board may in its absolute discretion determine that all the holder's Performance Rights will lapse and the Board's decision will be final and binding; and
- (o) **deceased holders:** If at any time prior to vesting or exercise of the Performance Rights a holder of Performance Rights dies, the deceased holder's legal personal representative may:
 - (i) elect to be registered as the new holder of the deceased holder's Performance Rights; and
 - (ii) whether or not the deceased holder's legal personal representative becomes so registered, exercise those Performance Rights in accordance with and subject to these terms and conditions as if they were the holder of such Performance Rights.

Attachment F Terms of Warrants to Forest Nominees

The terms of the Warrants are:

- (a) **entitlement:** Forest Nominees or its permitted registered assigns (**Holder**), is entitled to purchase from the Company up to 1,776,440 Shares (each such Share, a **Warrant Share**);
- (b) **exercise price:** the Warrant Shares have an **exercise** price of \$0.12 per Share;
- (c) **adjustments to exercise price:** the exercise price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment from time to time in certain circumstances, including a stock split, consolidation of the outstanding Shares, payment of a stock dividend in **Shares** upon outstanding Shares, a sale of all or substantially all of the Company's assets, or a merger of the Company with another company;
- (d) **reservation of Warrant Shares:** the Company covenants that it will reserve and keep available out of the aggregate of its authorised but unissued and otherwise unreserved Shares the **number** of Warrant Shares that are then issuable and deliverable upon the exercise of all Warrants free from pre-emptive rights of persons other than the Holder;
- (e) **expiry date:** the Warrants will expire at 5:00 pm (AEST) on 31 July 2021 (**Expiry Date**);
- (f) **notice of exercise:** the Holder may exercise the Warrants, in whole or in part, by lodging with the Company, on or after 31 October 2019 and through and including the Expiry Date:
 - (i) an exercise notice, in the form attached to the Warrants, completed and duly signed;
 - (ii) the Warrants; and
 - (iii) payment in the manner specified in the full terms of the Warrants;
- (g) **timing of issue of Warrant Shares on exercise:** within 3 days (other than Saturday, Sunday or any day on which banking institutions in Toronto, Ontario are not open for business (**Business Day**)) after the exercise date, the Company will issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate, a certificate for the Warrant Shares issuable upon such exercise, free of any restrictive legends not required by applicable law; and
- (h) **transferability:** the Warrants are transferable.

Attachment G Malaysian Solicitor's Report on Title

**Solicitors Report
Prepared for
Besra Gold Inc
by**

Reddi & Co
[DATE: 7 July 2021]

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 羅偉雄
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The Directors,
 Besra Gold Inc.,
 New Zealand.

Dear Sirs,

MALAYSIAN SOLICITOR'S REPORT ON MALAYSIAN MINING INTERESTS

Introduction

We have been instructed by Besra Gold Inc. ("**Besra Gold**") to carry out legal due diligence on the mineral tenements owned by the Gladioli Companies in the Bau Gold Project ("**Project**"), Sarawak ("**Tenements**"), to provide a summary of the relevant laws on mining and foreign ownership restrictions applicable in Sarawak, Malaysia, to conduct searches on incorporation and insolvency of the Gladioli Companies and Besra's Malaysian Subsidiaries ("**Besra**") and to provide an opinion on Besra's interest in the Tenements based on agreement/contract(s) provided, and the laws applicable in Sarawak.

For the purposes of this Report;

- a) "Gladioli Companies" refers to the following companies collectively:
 - i. Gladioli Enterprises Sdn Bhd ("**Gladioli Enterprises**");
 - ii. Bukit Lintang Enterprises Sdn Bhd ("**Bukit Lintang**");
 - iii. Carino Sdn Bhd;
 - iv. Priority Trading Sdn Bhd;
 - v. Buroi Mining Sdn Bhd;
 - vi. Gunong Wang Mining Sdn Bhd; and
 - vii. Bukit Young Goldmine Sdn Bhd;
- b) Besra's Malaysian Subsidiaries ("**Besra**") refers to the following companies collectively:
 - i. Besra Labuan Ltd ("**BLL**")¹; and
 - ii. North Borneo Gold Sdn Bhd ("**NBG**").
- c) "Besra Group" refers to the following companies collectively:
 - i. Besra Gold;
 - ii. BLL;
 - iii. Besra NZ Ltd; and
 - iv. NBG.

¹ Note however, that from a legal perspective BLL is not considered to be a Malaysian subsidiary company, as it is an offshore company that is registered in Labuan.

2. Report Scope and Structure

This Report has been prepared for inclusion in a Prospectus to be dated on or about the date of this Report to be issued by Besra in connection with a proposed initial public offering of between 50,000,000 and 62,500,000 new common shares in Besra (in the form of CHESS Depository Interests (“CDIs”) and an application to list Besra on the Australian Securities Exchange (“ASX”).

However, our scope of work does not include perusing, reviewing, verifying any statement, information and/or opinion contained in any other part of the Prospectus, nor does it include checking the details of such other part(s) of the Prospectus vis a vis the contents of this Report. In the event that there are any inconsistencies with the contents in any other part of the Prospectus vis a vis our Report, we maintain that to the extent of our legal findings and opinion, the contents in our Report shall stand. We shall not be in any way responsible or bear any liabilities for any statement, detail or opinion contained in any other part in the Prospectus, especially where such information in such part of the Prospectus is inconsistent with our Report.

This Report deals with the following matters:

- a) The relevant laws and regulations on mining and foreign restrictions applicable in the Malaysian State of Sarawak;
- b) The Tenements owned by the Gladioli Companies; and
- c) The interest of Besra in the Tenements.

This Report is based on review of documents and information received by us up to 7 July 2021, unless otherwise specified, (“**Effective Date**”), and save as otherwise indicated, no update of information has been conducted since the Effective Date.

This Report is strictly limited to the matters stated in it and does not extend by implication to any other matter. This Report does not comment on the value of Besra’s assets or concern any accounting, financial or tax aspects of the Besra Group.

We wish to state for clarity that we have not procured independent verification with regard to the corporate structure or character of Besra Gold and Besra NZ Ltd, being foreign incorporated entities, as this requirement is totally outside the scope of this Report.

3. Summary of opinion on the Besra Group rights in respect of the Tenements

In summary, based on our review, which is subject to the assumptions and constraints described in paragraph 4 below, we are of the opinion that as of 26 March 2021:

A) The Tenements

- a) the Gladioli Companies have:
 - i. Eleven (11) valid mining leases (ML), whereby subject to the issues highlighted in this report, and based on our inspection of the Register of mining leases and certificates at the Land and Survey Department as well as the information/documents received from the Gladioli Companies as at 31 March 2021: other than the Notices of Intention to Forfeit issued with regard to the 4 MLs as mentioned in sub-clause (b) below, there does not appear to be any other Notice of Intention to Forfeit, and further, there does not appear to be a Memorial of Forfeiture registered in relation to any of these 11 valid MLs;
 - ii. Two (2) applications for ML that have been approved but the MLs not issued yet, pending the satisfaction of certain conditions by the applicant company;
 - iii. A number of new and renewal applications (within stipulated/allowed time) for tenements/licences as follows which have been submitted but are pending:
 - one (1) application for renewal of mining certificate (MC KD/01/1994) that was made within the stipulated time;

- five (5) applications for renewal of EPL and three (3) applications for renewal of GPL that have been made within allowed/prescribed time;
 - one (1) application for the issuance of an ML/MC over the area of an expired EPL (and part of an expired GPL area, as well as an additional new area); and
 - Three (3) applications for new EPL/GPL.
- b) In respect of four of the 11 MLs (i.e. ML/01/2012/1D, ML 1D/136/ML/2008, ML/03/2012/1D, and ML/04/2012/1D), a Notice of Intention to Forfeit the ML has been issued by State Minerals Management Authority in May/June 2018 (see Paragraph 2.4.6 below for details). We are informed by Gladioli Companies that these MLs encroach upon the Dered-Krian National Park (“**DKNP**”). In any case, these Notices state that the respective tenement holders shall make a written representation to the SMMA within 30 days from the date of service of the Notice. We have been further informed by Gladioli Companies that a written representation in respect of ML/04/2012/1D was provided to the authorities, although no written representation was submitted in relation to the Notices concerning Mining Leases No. 1D/136/ML/2008, ML/03/2012/1D and ML/01/2012/1D (see Paragraph 1.2.3 below for the legal provisions in relation to forfeiture). As at 31 March 2021, we were informed by Gladioli Companies that there was no update/reply/further notices received by the licence holders from the authorities in relation to this matter of the four Notices of Intention to Forfeit. Similarly, it would appear that the authority has not indicated that this matter has been resolved, or whether they are satisfied with the representations/appeals submitted by the tenement holders. Further, as at 31 March 2021, our inspection of the Registry at the Land Office did not reveal that any Memorial of Forfeiture has been registered in relation to any of these 4 MLs.
- c) Further, the parties have also entered into the 2016 Supplemental Agreement where it is said that certain portions of land affecting 4 valid tenements shall be excluded and used for the development of affordable housing, and/or excised from the tenements for a government resettlement scheme (see Paragraph 2.4.10 below for details). However, we have been informed by Gladioli Companies that there was no official notification to the tenement holders regarding the excised areas, nor was the development proposal ever been officially submitted to the government. Additionally, as at 31 March 2021, we observe through physical inspection of the Register at the Land and Survey Department that there has been no changes to the area of each of the 11 valid Tenements.
- d) It should be noted that generally, Besra and the relevant applicants have no right and/or interest arising out of these licences/certificates/leases/tenements which are under renewal and/or new application until such time as they are approved. However, in relation to the abovementioned one renewal of mining certificate (MC KD/1/1994), it is possible that mining activities may continue until the determination of the renewal application is made (see paragraph 2.4.2 (b) for further details).

B) Besra’s Interests in the Tenements

- a) To summarise, there are two categories of agreements which set out Besra’s contractual interest in the Tenements: agreements as to exploration under the Tenements (“**Exploration Agreements**”), and agreements as to the sale and purchase of shares in NBG (“**Sale and Purchase Agreements**”).
- b) With regard to the Exploration Agreements, there exists: the Heads of Agreement between BLL’s antecedents (i.e Zedex Minerals Limited) and Gladioli Enterprises Sdn. Bhd. dated 26 June 2006 which has subsequently been superseded by the Exploration and Shareholders’ Agreement Relating to the Bau Project dated 3 November 2006 and Exploration and Shareholders’ Agreement Relating to the Bau Project dated 29 October 2010 (“Amended and Restated ESA”) and supplemented by a Supplemental Agreement dated 17 November 2016 (“2016 Supplemental Agreement”) between the parties who are more particularly set out in paragraph 2.3 of this Report. Under these Exploration Agreements, a special purpose vehicle, now known as North Borneo Gold Sdn. Bhd. (NBG), was granted exclusive rights to explore the tenement interests of the Bau Gold Project subject to the terms and conditions therein.

- c) In relation to the Sale and Purchase Agreements, there is the Amended and Restated Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. dated 17 November 2016 ("2016 SPSA") as amended by the Third Amendment Agreement dated 7 July 2021 ("SPSA Variation") (which superseded the previous agreements namely Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. dated 1 October 2010 and Amended and Restated Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. dated 12 May 2013).
- i. The current shareholders in NBG are Gladioli Enterprises, BLL and BML. The majority shareholder in NBG is BML, a foreign company. By extension, NBG would be treated also as a foreigner, although locally incorporated.
 - ii. Under the 2016 SPSA, BLL, the wholly-owned subsidiary of Besra Gold, was able to acquire and increase its shareholding in NBG in tranches, whereby BLL has completed the acquisition of 92,529 ordinary shares, while the right to acquire the remaining 16,221 shares has been extinguished pursuant to paragraphs (iii) and (iv) below.
 - iii. A Third Amendment Agreement dated 7 July 2021 ("**SPSA Variation**") was signed by the parties to amend the 2016 SPSA (this is more particularly set out in paragraph 2.3 of this Report).
 - iv. Under the SPSA Variation, BLL's obligations to acquire the remaining 16,221 shares in NBG from the Gladioli Enterprises in accordance with the 2016 SPSA has been extinguished, and those rights of acquisition are now effectively subrogated to Pangaea Resources Limited ("**Pangaea**").
 - v. Pangaea will now (i) acquire those remaining 16,221 NBG shares, (which BLL was previously entitled to acquire from Gladioli Enterprises under the 2016 SPSA) in 2 tranches for cash consideration; and (ii) upon Listing of Besra Gold, on-sell a portion of those NBG shares that it Pangaea has acquired from Gladioli Enterprises, to BLL for an equity consideration in Besra Gold.
 - vi. However, as of 7 July 2021, the sale and purchase of the shares in NBG under the SPSA Variation has yet to be completed and hence the current shareholding of NBG remains unchanged as per paragraph (c)(i) above.
 - vii. Only upon the completion of the sale and purchase of the shares in NBG in accordance with the terms and conditions contained therein, then the shareholders of NBG will consist of BLL, BML, Pangaea and Gladioli Enterprises.
- d) Based on the Amended and Restated ESA, NBG has three options on how it may proceed with the Project:
- i. If NBG exercises the first option, namely to arrange for Gladioli Companies to transfer the Tenements to NBG, then by virtue of the Minerals Ordinance, NBG would need to obtain the approval from the Minister of Urban Development and Natural Resources.
 - ii. If NBG exercises the second option (i.e. NBG enters into agreement with Gladioli Companies to develop and extract gold under Gladioli Companies' Tenements, whereby such gold extracted will be bought by a company whose shareholders comprise of NBG's shareholders together with Gladioli Enterprises) or the third option (i.e. any other arrangement as determined by NBG), then such arrangement/action appears to be a vesting of the beneficial ownership/rights in the Tenements as well as an assignment of the products mined under the Tenements. In turn, such arrangement/action may still be construed as a means to circumvent the provisions of the Minerals Ordinance (in relation to the transfer of Tenements), as well as the Sarawak Land Code (in relation to acquisition of land by foreigner). In such a case, the consent from the Minister of Urban Development and Natural Resources has to be obtained.
 - iii. Accordingly, only if NBG exercises the first option, and obtains the approval of the Minister of Urban Development and Natural Resources, will it have all the legal rights of a registered holder of the Tenements.

- e) Pursuant to Clause 16.7 of the Amended and Restated ESA, the Gladioli Companies acknowledge and agree that both BLL and BML would prefer for the Tenements to be transferred to NBG (i.e. the first option). NBG has yet to exercise any of the above options.
- f) Under the Minerals Ordinance, the approval of the Minister of Urban Development and Natural Resources is required for any assignment/transfer of rights and interest under any such mining tenement. Without such approval, the vesting and assignment of such mining tenement would be null and void.
- g) Under the Contracts Act 1950, where the object of an agreement is unlawful (i.e. of a nature that, if permitted, would defeat any law) then such agreement is void. If any of the three options in paragraph 3(d) above is exercised without obtaining the approval of the Minister of Urban Development and Natural Resources, then the Amended and Restated ESA could be void under the Contracts Act 1950.
- h) Therefore, until and unless approval of the Minister of Urban Development and Natural Resources has been obtained, we are of the opinion that it cannot yet be said that NBG has any rights on the Tenements that are owned by Gladioli Companies. As no such consent from the Minister of Urban Development and Natural Resources has yet been sought, it is our opinion that until such approval is sought and obtained from the Minister, NBG has contractual rights over the warranties and rights of indemnity from the Gladioli Companies under the Exploration Agreements, but not the legal rights or interests in the Tenements themselves.
- i) As at 31 March 2021, NBG is a company in which the majority of its shares are held by a foreigner and hence regardless of whichever option under the Amended and Restated ESA that is chosen by NBG, NBG may be construed to have direct or indirect interest on the Tenements, **but only provided that** the approval of the Minister of Urban Development and Natural Resources has been obtained by NBG pursuant to the Sarawak Land Code (which is in relation to acquisition of estate, interest and rights in land by foreigner). Until and unless such approval has been obtained by NBG, we are of the opinion that it cannot yet be said that Besra has an indirect interest in the Tenements themselves.

4. Assumptions and Constraints

In carrying out the legal due diligence for this Report, we have relied upon the following:-

- a) Information available from searches conducted at various registries/databases, in this case, the registries at the Sarawak Land and Survey Department, the Companies Commission of Malaysia ("CCM"), CTOS, the Labuan Financial Services Authority, and the Insolvency Department Malaysia;
- b) Representations made, whether orally, in writing or in any other form, by the representatives, officers, employees and agents of Gladioli Companies and Besra Group; and
- c) Documents provided by the Gladioli Companies, Besra Group, ITMC Fiduciary Ltd (being the trust company of Besra Labuan Ltd), and Tengis Corporate Services Sdn Bhd (being the corporate secretarial services provider of Gladioli Companies).

Where we have enquired any of the representatives, officers, employees and agents of Gladioli Companies and Besra Group for further information or clarification, we assume that no relevant information has been withheld.

For the purposes of this Report, we have assumed that the information, data and records made available from the searches conducted at the various registries/databases, and the representations as made under Paragraph 4(b) above are true, correct and accurate, and that the documents as provided under Paragraph 4(c) above are genuine and complete documents that conform to the originals.

Except where apparent from the documents provided, we have assumed that where applicable, all documents provided have been validly authorised and executed, and where necessary, attested and/or stamped, so that they are valid and binding on each party thereto, and that all the authorisations are in full force and effect and have not been breached, terminated, superseded or amended, save where expressly brought to our

attention. Moreover, we do not hold ourselves as having checked on whether the terms and conditions of such contracts provided to us have been fully complied with by the parties, neither are we expected to do so.

The information contained in this Report which is obtained from the above sources and more specifically identified and annexed to this Report, are for the purposes herein, assumed to be genuine, correct and accurate.

The information that we have obtained by conducting searches at various registries/databases may not be complete or accurate, and we accept no responsibility for the content of these registries/databases.

This Report does not consider the laws of any other jurisdiction, outside of Malaysia.

Save as otherwise stated and in particular where the replies from the relevant Land Offices are concerned, the information incorporated in this Report is as at the **Effective Date**.

This Report is divided into sections, which are each integral to this Report and should therefore be read together.

Yours faithfully,

REDDI & CO ADVOCATES

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1 RELEVANT MINING AND MINERALS LAWS

1.1.1 Overview

Generally, all minerals found within or upon any land (including rivers, lakes etc) are the property of the Government of the State of Sarawak and as such an application for a licence must be made to the State Government before carrying out mining activities. Mining was previously governed by the Mining Ordinance (Cap 83)

1958 (“**Mining Ordinance**”) which has been repealed by the Minerals Ordinance 2004 (“**Minerals Ordinance**”), which came into force on 1st July 2010.

Notwithstanding the repeal of the Mining Ordinance, all regulations, rules or orders made under or in accordance with the repealed Mining Ordinance shall remain in force in so far as they are not inconsistent with the new Minerals Ordinance, until such time as they are amended, revoked or replaced pursuant to the new Minerals Ordinance. Nothing in the new Minerals Ordinance shall invalidate any licence, permit, right, privilege or other authority lawfully given under the repealed Mining Ordinance and such licence/permit/right/privilege shall continue in force and be deemed to have been issued under the new Minerals Ordinance.

The Mineral Development Act 1994 (which is a Federal Legislation mainly governing the operation and safety of the mining activities) is also applicable to Sarawak.

Other legislation including that pertaining to the environment i.e. The Natural Resources and Environment Ordinance (Cap. 84) and the Sarawak Cultural Heritage Ordinance 1993 may also be relevant.

1.2 MINERAL TENEMENT FRAMEWORK

There are four (4) mineral tenements issued under the Mining Ordinance and the Minerals Ordinance namely:

- i. panning licence;
- ii. prospecting licence (general or exclusive);
- iii. mining lease/mining certificate; and
- iv. proprietary mining lease.

These may be only granted to, inter alia:

- i. a citizen of Malaysia and who is permanently residing in Sarawak;
- ii. a company incorporated in Malaysia authorized by its constitution to prospect for or to mine minerals;
- iii. with the approval of the Majlis Mesyuarat Kerajaan Negeri and subject to such special conditions as the Majlis may consider fit to impose, a foreign company authorized by its constitution to prospect for or to mine minerals; and
- iv. a body expressly empowered to hold mining land under any other written law.

For the purposes of this Report the following types of mineral tenements are relevant:

1.2.1 Prospecting Licence

There are two (2) types of Prospecting Licence provided under Section 25 of the Minerals Ordinance, namely:

- 1) **general prospecting licence**, which gives right to the holder to prospect for minerals as specified in the licence throughout the prospecting area. However, there may be other parties who are authorised to prospect for minerals within that same prospecting area; and
- 2) **exclusive prospecting licence**, which gives an exclusive right to the holder to prospect for any minerals specified in the licence within the prospecting area.

Section 24 of the Minerals Ordinance provides that a prospecting licence shall be issued for a duration not exceeding two (2) years, but it may be renewed for a further term not exceeding two (2) years, by making a renewal application at least six (6) months before the expiry of the initial licence, provided that the Minister of Urban Development and Natural Resources, Sarawak is satisfied that further prospecting is justified. Notwithstanding that the Minerals Ordinance provides that the former holder of a prospecting licence whose prospecting licence has reached its maximum total duration of four (4) years is entitled to reapply for a prospecting licence in respect of the same area after the expiry of one (1) year from the maximum total duration of the former licence, and the former holder will be given priority to prospect for minerals within the same or any area within or overlapping the previous prospecting area.

Under Sections 30 and 35 of the Minerals Ordinance, a prospecting licence gives right to the holder to do the following:

- obtain access and to enter the prospecting area;
- explore for any minerals specified in the licence within the limits of the prospecting area;
- use water, sand and gravel, road, canal and river as required for prospecting within the limits of the prospecting area;
- take and remove specimens and samples as well as carry out bulk sampling and trial processing of any mineral ore from the prospecting area according to the limit as may be specified in the licence or as may be prescribed solely for the purpose of determining the viability of the proposed project; and
- with the prior written permission of the Director of Lands and Surveys, sell any specimen or sample obtained for prospecting purposes.

Where the renewal application of the expired prospecting licence was made before the Minerals Ordinance came into force on 1st July 2010, the following provisions of the Mining Ordinance are likely to be relevant:

- Pursuant to Section 48(3) of the Mining Ordinance, if, before the expiration of the period of any prospecting licence, the licensee shall prove to the satisfaction of the Yang di-Pertua Negeri that he has good and sufficient reason for not having completed the work of prospecting, the period of such licence may be extended in respect of the whole or any part of the area comprised therein for such period as may be necessary to permit the licensee to complete his work of prospecting.
- Rule 10(1) of the Mining Rules 1995 further provides that an application for an extension of the period of a prospecting licence shall be submitted to the Superintendent not less than 6 months prior to the expiry of the term of such licence.
- Rule 10(2) of the Mining Rules 1995 states that the application shall state clearly the period and the particular area of land in the original licence for which the extension is sought.
- As the Mining Rules only came into force on 10 March 1995, it is arguable that any application for renewal of a prospecting licence submitted before 10 March 1995 need only comply with the requirements of Section 48(3) of the Mining Ordinance.

1.2.2 Mining Lease/Mining Certificate

A mining lease/mining certificate can be granted for a term not exceeding 21 years. The rights conferred on a Lessee under the Mining Ordinance (section 13) are as follows;

- To enter upon the lands subject to the mining lease and the exclusive right to mine such lands and to remove and dispose of the minerals specified in the lease and to do all such things as are reasonably necessary for the conduct of mining operation;
- to roast and calcine all such metals or minerals found upon or beneath the land subject to the provisions of any written law by which such right is affected;
- to use such portions of the land for the purpose of erecting such lines, sheds, or other buildings as may, in the opinion of an Inspector, be reasonable for the purposes of the mine;
- to timber, other forest produce, earth, stone, gravel and other road-making or building material upon the land over which the lessee has subject rights.

On the other hand the holder of the Mining Lease/Mining Certificate issued under the Mineral Ordinance 2004, shall have the following rights:

- to exclusively mine relevant land in accordance with an order and conditions set by the Natural Resources and Environment Board for the protection of the environment in the area and such other orders or directives as may be issued by the Director of Minerals and Geoscience in regard to the safety measures and mining practices to be observed;
- to store, transport, process and sell any mineral extracted and dispose of any waste;
- to use any timber, sand or gravel as required for mining within the mining land;
- to use such portions of the mining land as may be required for the purposes of erecting houses, lines, sheds or other buildings as may be reasonable for the purposes of the mine or for use by the employees of the mine;
- to do any act or thing and establish and maintain any road and facility to effectually carry out mining operations; and
- to use, occupy and enjoy the mining land.

Applications for Renewal of Expired ML/MC

Where an application for renewal of an expired ML/MC was made prior to the enforcement of the Minerals Ordinance on 1st July 2010, the Mining Ordinance (Cap 83) 1958 (section 21) is most likely to be the relevant law for reference, whereby:

- The application for renewal must be made to the Superintendent of Lands and Surveys not less than 12 months before the expiration of the current term of the mining lease/mining certificate. The Yang Di-Pertua Negeri may, but shall not be bound, to consider an application not made within the stipulated time frame stated.
- If an application to renew is made in respect of the original term granted, the Yang di-Pertua Negeri shall if satisfied that the applicant is carrying on work in a normal and business like manner and that the lease is not liable to be forfeited, by order under his hand direct such lease be extended for a period not exceeding 21 years upon covenants and conditions which are then applicable to new leases. In every other case, the Yang di-Pertua Negeri may in his absolute discretion, by order under his hand direct that the mining lease/mining certificate be extended up to 21 years or grant a fresh mining lease or reject such renewal application.
- The extension of a mining lease/mining certificate and the grant of a fresh mining lease is subject to such covenants and conditions as may be imposed. In addition, a premium is payable where a mining lease is extended. Rent and premium are payable if a fresh mining lease granted.
- No order for renewal shall have effect until registered.

On the other hand, in relation to renewals of ML/MC under the Mineral Ordinance 2004 (section 48):

- A mining lease/mining certificate may be renewed in whole or in part for a term based on the economic life of the mine or mining operation but such renewal shall not exceed 21 years, provided that the State Minerals Management Authority may reduce vary or increase the area covered by the lease.
- An application for renewal of a mining lease/mining certificate shall be made by the State Minerals Management Authority in the prescribed form at least 12 months prior to the expiry of the mining lease.
- Where an application for renewal of a mining lease/mining certificate is made to the State Minerals Management Authority at least 12 months prior to the expiry of the lease, the State Minerals Management Authority may renew the lease if the lessee has complied with the terms and conditions specified in the original lease, the lessee has complied with the requirements of this Ordinance, the lessee can show to the satisfaction of the State Minerals Management Authority that there are minerals reserves to justify a renewal or there is a need to maintain the property for use as an integral part of the mining operations on the adjoining mining land; and in the case of an application for renewal of a mining lease authorising a large scale operation, a modified mine rehabilitation plan has been approved (Section 48(5) of the Minerals Ordinance).
- As soon as practicable after an application for the renewal of a mining lease is approved, the Registrar shall cause an endorsement of such approval under this signature and seal, including the new expiry date of the mining lease, to be recorded in the register and on the mining lease itself.

- If an application for renewal of a mining lease is made to the Director (i) at least 12 month prior to the expiry of the lease and (ii) the term of the lease would, but for this subsection, expire, the lease shall continue in force in respect of the land to which the application relates until the application is determined. If however that the application is less than 12 months prior to the expiry of the lease, the State Minerals Management Authority may approve the application if it satisfies the condition specified in Section 48(5) of the Minerals Ordinance, but shall impose on the lessee, upon renewal of the lease a late filing fee of such amount as may be prescribed.
- Where the application to renew a mining lease is refused by the State Minerals Management Authority, the Secretary shall notify the lessee in writing of its decision stating the reasons therefor. Any person aggrieved by the refusal of the State Minerals Management Authority to renew a mining lease may within 30 days after being notified, appeal in writing to the Majlis Mesyuarat Kerajaan Negeri whose decision shall be final.
- If an application for renewal is to be made now for an existing mining lease/mining certificate issued under the previous Mining Ordinance, the new provisions under the Mineral Ordinance 2004 should be followed in view that the Mineral Ordinance 2004 is the body of law that is now enforceable, and the new Mining Lease/Mining Certificate would be issued under the new provision of Mineral Ordinance 2004. Upon the issuance of the new Mining Lease or Mining Certificate, all the new provisions of Mineral Ordinance 2004 as highlighted in this Report shall apply.

1.2.3 Tenement Conditions and Consequences of Breach

Prospecting Licence

Under Sections 33, 34 and 76(1)(a) of the Minerals Ordinance 2004, the holder of the prospecting licence shall have the following obligations, among others:

- to commence field prospecting activities within three (3) months from the date of the issuance of prospecting licence;
- to submit a written notice as may be prescribed by the State Minerals Management Authority to the Director of Lands and Surveys, Superintendent of Lands and Surveys and Director of Department of Minerals and Geoscience and should the prospecting area includes reserved land or reserved forest area, to the officer for the time being having the control over such land upon the commencement of prospecting work (which includes airborne geophysical and geomagnetic surveys and other related surveys) on the prospecting land;
- to submit a notice of discovery in such form which may be prescribed within twelve (12) months from the discovery of any minerals deposit with economic potential to the Director of Lands and Surveys, Superintendent of Lands and Surveys and Director of Department of Minerals and Geoscience together with such information as may be necessary to confirm the existence of the minerals deposit; and
- to pay licence fees.

Pursuant to Section 23 of the Minerals Ordinance and Regulation 9 of the Minerals Regulations 2012, the prospecting licence is subject to the following statutory conditions where the holder shall, inter alia:

- submit such information and periodical activity reports as may be prescribed:
 - i. for general prospecting licence, half yearly report on the results of the prospecting carried out in the licensed area during the previous six months and a final report of such prospecting at the expiration of the licence; or
 - ii. for exclusive prospecting licence, a half yearly report detailing plans of works carried out in the licensed area, and the nature and quantity of minerals found, and a final report of such prospecting at the expiration of the licence;
- pay compensation for any loss, damage or disturbance to land and property to the owner of the land (where alienated or occupied land is affected), or to the Superintendent of Lands and Surveys (where State land, including reserved forest area, is affected);
- pay compensation to the lawful claimants to native customary rights for any loss, damage or disturbance to land and property;

- restore the prospecting area to a safe state and to such environmental standards as may be prescribed or to maintain it;
- relinquish any area required by the Government for a public purpose other than for any activity related to the prospecting or mining for minerals; and
- comply with such annual work program expenditure and area relinquishment requirements as may be prescribed and there shall be no variation of the level of annual work programme expenditure fixed from the level prescribed as on the date of issuance of the prospecting licence for the term of the licence.

Section 37(1) of the Minerals Ordinance states that a prospecting licence may be revoked in the event that the holder of the licence has breached any of the terms and conditions specified in the licence or has contravened any of the provisions of the Minerals Ordinance. Prior to the revocation of the prospecting licence, the State Minerals Management Authority shall serve or cause to be served on the holder of a prospecting licence, a written notice of its intention to revoke the licence and the grounds on which it proposes to take such action, and it shall give the holder of the licence thereof an opportunity to make written representations thereon within thirty days from the date of service of the notice. Upon the expiry of the period of thirty days and after considering any representation made by the holder of the licence and after holding an inquiry, the State Minerals Management Authority may at its discretion make an order for the payment of a fine not exceeding MYR 500,000.00 within a specified time or requiring the holder of the licence to take necessary action to remedy the breach or contravention within a specified time failing which the State Minerals Management Authority reserves its right to revoke the licence by virtue of Sections 37(4) and 38 of the Minerals Ordinance.

Any person who is found guilty for failing or contravening the terms and conditions of the mineral tenement may also subject to fine and imprisonment. Where a person charged with an offence under the Ordinance is a body corporate, every person who, at the time of the commission of such offence, is a managing director, manager or other similar officer of such body corporate, may be charged jointly in the same proceedings with the body corporate, and where the body corporate is convicted of the offence charged, every such managing director, manager or officer shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission. Any person who would have been liable to any penalty under this Ordinance for anything done or omitted if the thing had been done or omitted by him personally shall be liable to the same penalty if the thing has been done or omitted by his partner, agent or servant unless he proves that he took reasonable precautions to prevent the doing or omission of that thing.

Mining Lease/Mining Certificate

In the absence of any express conditions to the contrary, under the Mining Ordinance (section 14), the following covenants and conditions shall be implied in every mining lease/mining certificate:

- That the lessee will duly pay the rent and any royalty that may become due to the Government;
- That the lessee will duly maintain all marks by which the boundaries of the land are defined;
- (a) the lessee will commence mining operations upon or beneath the land within a period of one year from the date of issue of the mining lease; (b) that within a further period of six months the lessee will employ at work thereon not less than such manner of labourers as shall be mentioned in such mining lease, or labour saving apparatus equivalent thereto calculated at the rate of one horse-power to eight labourers; (c) that thereafter the lessee will not at any time during the term of the mining lease fail for a period of more than six consecutive months to carry on mining operations on or beneath the land substantially and efficiently and to keep at work thereon such number of labourers as shall be mentioned in the mining lease or labour-saving apparatus equivalent thereto, calculated as aforesaid,
- That the lessee will forthwith report to the Superintendent the discovery of any mineral of economic value other than that for which the lease was granted;
- That, if at any time there shall be discovered on any portion of the land which is in process of being worked for superficial deposits any mineral in the form of lodes, beds, pockets, stock-works or similar formations, the lessee will forthwith report the discovery to the Superintendent;

- That, if at any time the land or any portion thereof shall be found to contain oil shales or mineral oil, the lessee will forthwith report the discovery to the Superintendent;
- That the lessee will carry on all his mining operations in a safe, orderly, skillful, efficient and workmanlike manner, and will not cause danger or damage to the owners or occupiers of other lands, and will observe and perform all rules and orders made or given in pursuance of the Ordinance or by virtue of any rules made hereunder;
- That the lessee will not use or permit to be used any portion of the land over which surface rights have been granted for any purposes;
- That all Government officers duly authorized in that behalf shall at all reasonable times have free access to the land;
- That the lessee will truly fill in, exhibit and cause to be maintained at the principal office or place of business on the land, and wherever the labourers are housed;
- That the lessee will permit the taking and removal, without payment, from the land by any person duly authorized in each particular case in writing by the Inspector, of any earth, stone, gravel, timber and other road-making or building material which may be required by the Government for any public purpose;
- That lessee will cause to be kept true and sufficient books of account of the mining and other business carried on upon the land, and of the disposal of the metals and minerals obtained, and will, if so required, produce or cause to be produced such books for the inspection of the Inspector or of any person duly authorized by him in that behalf;
- That the lessee will allow over or through the land such access to any adjoining land, whether held under mining title or not, as shall not, in the opinion of the Inspector, interfere with his rights under the lessee;
- That the lessee will allow the construction and use on the land of such water courses as shall not in the opinion of the Inspector interfere with his rights under the lessee;
- That the lessee will take all due and proper precautions and will comply will all requirements of the Inspector as to the safety of all persons on the land or in the workings or plant.
- That the lessee will maintain accurate plans of all underground workings, on a scale and in a manner approved by the Inspector, related to the boundary marks emplaced during the survey carried out; and
- That the lessee will permit the erection of any buildings for public purposes on the land, subject to compensation for the value of any minerals thereby sterilized.

Pursuant to sections 18 and 19 of the Mining Ordinance, breach of, or default in, observance of any of the covenants or conditions of a mining lease/mining certificate shall render the mining lease/mining certificate liable to forfeiture. Prior to forfeiture of the mining lease/mining certificate, the Superintendent may serve on the lessee a notice calling upon him within a period specified in such notice, but which shall not be less than one month from the service of the notice, to show cause to the satisfaction of the Governor why the lease should not be forfeited.

In addition to the above, under the Mineral Ordinance 2004, the holder of the Mining Lease or Mining Certificate shall have the following obligations:

- ***Notice of commencement of development work and mining (section 56)***

The holder must within 14 days before commencement of work on land, submit a written notice as may be prescribed to the Director, the Superintendent and the Chief Inspector.

- ***Commencement of development work (section 57)***

The holder must commence development work within 9 months from the date of registration of the lease/certificate, or 9 months from the date on which condition or requirement (if any) prohibiting the commencement of development work has been satisfied.

- **Statutory conditions (sections 54 and 76)**

- To pay rent to the State Government;
- To cause to be kept true and sufficient books of account of the mining and other business carried on upon the mining land, and of the disposal of the minerals obtained and to produce such books upon request by authorized officers;
- To submit information and periodical activity reports as may be prescribed;
- To allow scientific surveys if there is no interference with mining;
- To maintain the mining land in a safe state and to prescribed environmental standards;
- To comply with approved environmental impact assessment, if required by written law;
- To comply with approved plan for rehabilitation, if required under the Ordinance;
- To allow access to any adjoining land, as shall not interfere with mining operations;
- To allow the construction and use of watercourses, canals, pipelines and transmission lines, public roads and public utilities as shall not interfere with mining operations or rights under the lease/certificate; and
- To allow traditional farming held under native customary rights.

- **Submission of mine feasibility study (section 55)**

The Holder may be required to submit a mine feasibility study for approval by the State Minerals Management Authority in which case, the holder may:

- submit such number of mine feasibility studies or design drawings and specifications as may be necessary; and
- submit proposed revisions or amendment to the mine feasibility study or design drawings and specifications approved under Section 55(1) of the Mineral Ordinance 2004 to the State Minerals Management Authority which may approve or reject such proposed revisions.

The mine feasibility study or design drawings and specifications shall include:

- A mine construction schedule;
- The planned production commencement date;
- A schedule of planned annual raw ore production of the terms of the lease/certificate; and
- Such other information as may be prescribed or requested.

- **Prohibition (section 53)**

The Holder shall not remove beyond the boundaries of the mining land for any purposes:

- Any timber or other forest produce;
- Any coral, earth, gravel, guano, loam, rock, sand, shell, clay, brick, lime, cement or other commodity manufactured from such materials; or
- Any rock or other materials obtained from the said land.

- **Forfeiture**

Section 58(1) of the Minerals Ordinance states that a mining lease/mining certificate may be forfeited in the event of the holder of the mining lease/mining certificate has breached any of the terms and conditions specified in the mining lease/mining certificate or has contravened any of the provisions of the Minerals Ordinance. Prior to the forfeiture of the mining lease/mining certificate, the Secretary to the State Minerals Management Authority ("SMMA") shall serve or cause to be served on the holder of a mining lease/mining certificate, a written notice of its intention to revoke the mining lease/mining certificate and the grounds on which it proposes to take such action, and it shall give the holder of the mining lease/mining certificate thereof an opportunity to make written representations thereon within thirty days from the date of service of the notice. Upon the expiry of the period of thirty days and after considering any representation made by the holder of the mining lease/mining certificate and after holding an inquiry, the SMMA shall decide:

- Whether to proceed with the forfeiture;
- Whether to take action under section 59; or

- Whether to take no further action.

The tenement holder shall be given written notice of the SMMA's decision. If the SMMA is satisfied that there are grounds on which its power to forfeit the mining land is exercisable under section 58, but the circumstances do not justify forfeiture, then the SMMA may at its discretion make an order for the payment of a fine not exceeding MYR 250,000.00 within a specified time or requiring the holder of the mining lease/mining certificate to take necessary action to remedy the breach or contravention within a specified time failing which the SMMA shall make an order declaring the mining land in respect of which the mining lease or certificate has been granted forfeited to the Government.

The Registrar shall, as soon as practicable after the making of an order of forfeiture under section 58 or 59 with respect to any mining lease or certificate, publish or cause to be published in the Gazette a notification of forfeiture in such form as may be prescribed and any such forfeiture shall take effect upon such publication. The Registrar shall, as soon as practicable after such notification is published, enter or cause to be entered a memorial thereof in the register. Further, where an order of forfeiture has been made, the holder shall forthwith surrender the mining lease or certificate to the Registrar for cancellation.

Any person who is found guilty for failing or contravening the terms and conditions of the mineral tenement may also be subject to fine and imprisonment. Where a person charged with an offence under the Ordinance is a body corporate, every person who, at the time of the commission of such offence, is a managing director, manager or other similar officer of such body corporate, may be charged jointly in the same proceedings with the body corporate, and where the body corporate is convicted of the offence charged, every such managing director, manager or officer shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission. Any person who would have been liable to any penalty under this Ordinance for anything done or omitted if the thing had been done or omitted by him personally shall be liable to the same penalty if the thing has been done or omitted by his partner, agent or servant unless he proves that he took reasonable precautions to prevent the doing or omission of that thing.

1.2.4 General Conditions under the Mineral Development Act 1994

The Mineral Development Act 1994 requires any holder of prospecting licence to do the following:

- send a written notice at least seven days before commencing exploration to the Director of Mines and the Director General of Geological Survey informing them of such intent [section 11(1) of the Mineral Development Act].
- Any holder of mining lease/mining certificate or proprietary licence shall do the following, inter alia-
 - submit for approval by the Director of Mines an operational mining scheme for development work and mining on the land which is the subject of such mineral tenement before the commencement of any development work or mining within the mineral tenement area [section 10(1) of the Mineral Development Act];
 - send to the Director of Mines and the Director General of Geological Survey at least 7 days before commencing any development work [section 11(2) of the Mineral Development Act];
 - not commence any development work or mining which does not comply with the approved operational mining scheme until the modified operational mining scheme has been approved by the Director [section 10(3) of the Mineral Development Act];
 - appoint a manager of the mine (which shall be approved by the Assistant Director of the Mines) if there are ten or more persons employed at the mine or the Assistant Director has notified the holder of such licence or lease that a manager is required [subsection 14(1) and (2) of the Mineral Development Act];

- appoint another manager with the approval of the Assistant Director of Mines to replace any manager of the mine who ceases to be the manager of the mine within 3 days from the date of cessation [section 14(3) of the Mineral Development Act];
- in the event the appointed manager is incapacitated from performing his duties or is about to be absent from the mine for more than two days and there is no assistant manager has been appointed, appoint with the approval of the Assistant Director of Mines, any other person to act as manager during such incapacity or absence [section 14(10) of the Mineral Development Act];
- take such measures as to ensure that the water used in connection with mining shall, before it leaves the mine or waste retention area in which it has been used, comply with such water quality standards as may be prescribed and where such standards have not been prescribed such water shall be reasonably free of solid matter and from chemicals and other substances deleterious to human, animal or vegetable life [section 18(1) of the Mineral Development Act];
- take such measures as are reasonable to prevent or minimize the erosion of the land which is the subject of the mineral tenement and the effects thereof and whenever directed by the Assistant Director of Mines, provide and maintain such retention works or other place as are necessary and adequate to prevent the products of erosion from being discharged into any river or drainage system [section 19 of the Mineral Development Act];
- ensure the safety of all operations at the mine and the observance of the provisions of the Mineral Development Act 1994 [section 14(11) of the Mineral Development Act];
- before any mining operations is abandoned or discontinued, a written notice shall be given three months before such intended abandonment or discontinuance to the Assistant Director of Mines and to the Director General of Geological Survey and submit an accurate plan, to the satisfaction of the Director of Mines, showing the workings of such mine up to the time of abandonment to the Director of Mines and the Director General of Geological Survey within one month after the abandonment [subsections 20(1) and (2) of the Mineral Development Act]; and
- where a mine or part of a mine is to be abandoned, securely fence or cover every mine shaft or adit and shall continue to be personally responsible for the due compliance of this provision until the Director of Mines has confirmed in writing that the work has been properly executed, notwithstanding that the mine or part of the mine has been abandoned [subsection 20(3) of the Mineral Development Act].

Any holder of a prospecting licence, proprietary mining licence or mining lease/mining certificate shall:

- send a copy of its mineral tenement to the Director of Mines and the Director General of Geological Survey within 30 days after the registration of such mineral tenement and notify the Director of Mines and the Director General of Geo-logical Survey in writing of its new address within 14 days from the date of change of such address [section 9 of the Mineral Development Act];
- carry out fossicking, panning, exploration, mining and mineral processing in accordance with good and safe practices and such environmental standards as may be prescribed under the Mineral Development Act and any written law relating to environment [section 13 of the Mineral Development Act]; and
- take such measures as are reasonable to prevent or minimize the erosion of the land which is the subject of the mineral tenement and the effects thereof and whenever directed by the Assistant Director of Mines, provide and maintain such retention works or other place as are necessary and adequate to prevent the products of erosion from being discharged into any river or drainage system [section 19 of the Mineral Development Act].

Under the Mineral Development Act 1994, the consequences of breach are detailed as below:

- Pursuant to section 12 of the Mineral Development Act 1994, in the event the holder of proprietary licence or mining lease/mining certificate fails to comply with the approved operational mining scheme the Director of Mines shall inquire into the matter and may order the holder of such licence or lease to undertake all necessary measures to ensure compliance with the approved operational mining scheme or suspend development work or mining until the necessary measures are taken to comply with the approved operational mining scheme.

- Section 18(2) of the Mineral Development Act provides that the Assistant Director shall, on receipt of a complaint made in writing describing the failure on the part of any person to comply with the provisions of subsection 18(1) (quality of effluent water), inquire into the matter of such complaint, and may at any time order such person complained of to undertake the necessary measures to ensure that water quality standards are complied with or suspend mining until such measures are taken to comply with water quality standards.
- Pursuant to section 31 of the Mineral Development Act, anything seized in exercise of any power conferred under the Act shall be liable to forfeiture. Section 32 further provides that where anything seized under the Act is held in the custody of the Government pending completion of any proceedings in respect of an offence under this Act, the cost of holding such thing in custody shall, in the event of any person being found guilty of an offence, be a debt due to the Government by such person and shall be recoverable accordingly.
- Section 39 of the Mineral Development Act states that any person who contravenes or fails to comply with the provisions of section 9, 11, 13, 14, 15, 16, 17, 18, 19 or 20 of the Act shall be guilty of an offence.
- By virtue of section 40 of the Mineral Development Act, any holder of a proprietary mining licence or mining lease who fails to submit an operational mining scheme or comply with the approved operational mining scheme shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.
- Pursuant to section 46 of the Mineral Development Act, any person who when employed in or about a mine or exploration site does any act in such manner as to be likely to cause danger or damage to any person in or about such mine or exploration site or fails to take such precautions as may be necessary to ensure the safety of any person in or about such place or unless properly authorized in that behalf removes, alters or renders ineffective anything in or about a mine or exploration site provided for the safety, health or well-being of any person, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.
- Section 51 of the Mineral Development Act states that where a person charged with an offence under this Act is a body corporate, every person who, at the time of the commission of such offence, is a managing director, manager or other similar officer of such body corporate, may be charged jointly in the same proceedings with the body corporate, and where the body corporate is convicted of the offence charged, every such managing director, manager or officer shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission. Section 52 further provides that any person who would have been liable to any penalty under the Act for anything done or omitted if the thing had been done or omitted by him personally shall be liable to the same penalty if the thing has been done or omitted by his partner, agent or servant unless he proves that he took reasonable precautions to prevent the doing or omission of that thing.
- Any person who commits an offence under this Act shall, in the case of a continuing offence, be liable, in addition to any fine provided under the Mineral Development Act, to a further fine of two thousand ringgit for every day or part of a day during which the offence continues after conviction by virtue of section 53 of the Mineral Development Act.
- Section 54 of the Mineral Development Act provides that any person who is guilty of an offence under this Act for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Transfer of Mineral Tenement

Prospecting Licence

The prospecting licence may, subject to the approval of the Minister of Urban Development and Natural Resources, Sarawak, be transferable upon the death, dissolution, bankruptcy, or insolvency of the holder thereof by virtue of Section 28 of the Minerals Ordinance.

Mining Licence/Mining Certificate

Under section 104(1) of the Mining Ordinance (Cap 83) 1958, no person shall sublease any mining land. Any licence, certificate or lease granted under the Ordinance, or any share therein or right thereunder, shall not be transferable inter vivos (during the lifetime) or transmissible on the death of the licensee or lessee, without the consent of Yang di-Pertua Negeri, who may give or refuse such consent at his absolute discretion and who shall be under no obligation to give any reasons for his decision. The consent of the Yang di-Pertua Negeri shall be signified by endorsement, under the hand of the Chief Secretary, on the licence, certificate or lease (as the case may be) and any instrument purporting to effect such transfer shall be null and void, unless the licence, certificate or lease which it purports to transfer is so endorsed.

On the other hand, under the Minerals Ordinance 2004, a mining lease or certificate may, subject to the approval of the Minister of Urban Development and Resource Planning, be transferable. Any application for the transfer of a mining lease or certificate shall be made to the Minister through the Secretary or in such other manner as may be prescribed by the State Minerals Management Authority.

The prescribed format of mining licence/mining certificate issued under the Minerals Ordinance also provides that:

- (i) the mining lease/mining certificate is non-transferable except in accordance with the provisions of section 49 of the Minerals Ordinance;
- (ii) where the Holder is a Company, the transfer of controlling shares in the Company shall be deemed to be a transfer of the mining lease/mining certificate; and
- (iii) no dealing affecting this mining lease/mining certificate shall be effected without the prior consent of the State Minerals Management Authority.

If such transfer is required at this time, the Minerals Ordinance 2004 would be the applicable law.

1.2.5 Royalty

The property in minerals shall pass to the person who has lawfully won the minerals and in consideration of and upon payment of royalty or commutation fee, as the case may be; or if no royalty is payable in respect of the minerals lawfully won, upon recovery of the minerals (section 79 of the Minerals Ordinance 2004).

The holder of a mineral tenement shall pay to the Government royalty on any mineral won and sold or intended for sale; or won and utilized or to be utilized for any commercial or industrial purpose (section 77 of the Minerals Ordinance 2004). The amount of royalty for any mineral may be prescribed as a percentage of the market value of the mineral won; or an amount payable on the basis of any specified volume or weight of the mineral won.

1.2.6 Rents

(i) Section 76 of the Minerals Ordinance states that the tenement holder shall, in respect of the land which is subject to the tenement, shall pay rent annually to the Government. Rule 5(2) of the Minerals Regulations provides that Rent payable in each year on any mining lease or mining certificate shall be a first charge on the land comprised therein and shall fall due on the date on which the lease or certificate was registered.

(ii) Rule 5(3) of the Minerals Regulations explains that when any rent becomes in arrears, the holder of the mining certificate or the lessee of the mining lease shall pay as a penalty equivalent to ten per cent of the amount in arrears for every month it remains unpaid.

(iii) Referring to section 58(1) of the Minerals Ordinance again, the SMMA may forfeit the mining land in respect of which a mining lease or certificate has been granted if it is satisfied that the holder thereof has contravened any of the provisions of the Minerals Ordinance. The effect of forfeiture according to section 61 of the Minerals Ordinance, includes amongst others that the mining land, in respect of which the ML has been granted shall revert to, and vest in, the Government as State land, freed and discharged from any title or interest subsisting or capable of arising immediately before the forfeiture took effect.

1.2.7 Land Excluded from Mining and Prospecting

Pursuant to the Mining Ordinance (section 105), the following types of land may not be mined without the consent in writing of the Yang di-Pertua Negeri acting in his discretion:

- land dedicated or set apart for any public purpose (other than mining), or for a burial ground or within one hundred yards (91.4 metres) of such places;
- any area within any town or village;
- land reserved for any railway or within one hundred yards (91.4 metres) of any railway, other than a railway constructed on the area of the mining lease by the mining lessee;
- any area used for or within one hundred yards (91.4 metres) of any buildings, works, reservoir, or dam owned or occupied by Government or by a public authority;
- any street, road or highway, or any land within fifty yards (45.7 metres) of the centre line of any street, road or highway, other than one constructed on mining land by the lessee;
- any right of way; and
- land which falls within paragraphs (b), (c) and (d) of the definition of Reserved Land in section 2 of the Land Code. The land comprised in these definitions includes National Parks, Forest Reserves, Protected Forests, Communal Forests, land occupied by Government other than under a document of title, and any other land constituted or declared to be Reserved Land.

Further, under the Mining Ordinance, the following types of land may not be mined without the consent in writing of the owner or lawful occupier; except in the event where this consent is being unreasonably withheld, then the Yang di-Pertua Negeri may authorise the lessee to mine such land(s), subject to such conditions as he may prescribe:

- land under actual cultivation;
- land which falls within paragraphs (b) or (c) of the definition of occupied land in the Mining Ordinance. The land comprised in these definitions include unalienated land under growing crops of fruit trees or other valuable commodities in respect of which any particular native or class of native possesses legally enforceable rights in the opinion of the District Officer;
- unalienated land that is being lawfully used for padi farming or which, in the opinion of the District Officer, is likely to be lawfully used for padi farming in the next farming season;
- land which is the site of or within one hundred yards (91.4 metres) of a building;
- any street, road or highway, or any land within fifty yards of the centre line of any street road or highway, other than one constructed on mining land by the lessee;
- any right of way; and
- any Reserved Land within the meaning of paragraphs (b), (c) and (d) of the definition of Section 2 of the Land Code (i.e. National Parks, Forest Reserves, Protected Forests, Communal Forests, land occupied by Government other than under a document of title and any other land constituted or declared to be Reserved Land).

If any area of land subject to a mining lease or specified in a prospecting licence is adjacent to an aerodrome, no mining or prospecting shall be done on such part of that area as the Director of Lands and Surveys may specify being an area in which mining or prospecting is likely to cause danger to aircraft taking off or landing.

On the other hand, pursuant to the Minerals Ordinance, unless with the consent in writing of the State Minerals Management Authority, the prospecting area must not be dedicated or set apart for any public purposes or for burial ground or within one hundred metres of such places, any area within any town, village or residential areas, any street, road or highway, or any road reserve or any right of way or land reserved for any railway or within one hundred metres of such places; or any area used for, or within one hundred metres of any buildings works, reservoir or dam owned or occupied by the Government of Sarawak or by a public authority or operated by a company under concession with the Government.

Sections 70 and 71 of the Mineral Ordinance also provides that the prospecting activity over reserved land, reserved forest area, alienated land and occupied land can only be conducted from aerial observation or by remote sensing methods. The restriction is not applicable if the law declaring or constituting the reserved land or reserved forest area allows other methods of prospecting, or the owner or occupier of the land has granted written permission for the mineral tenement holder to apply other methods of prospecting.

The prospective miner has the responsibility of finding out whether any land that is intended for mining falls within any of the abovementioned classes.

1.3 OTHER LEGISLATIVE CONSIDERATIONS

1.3.1 Requirement under Natural Resources and Environment Ordinance and Order

Pursuant to Item 6 of First Schedule of the Natural Resources and Environment (Prescribed Activities) Order 1994 ("the 1994 Order") made under The Natural Resources and Environment Ordinance (Cap. 84), the following, inter alia, are made "Prescribed Activities":-

Extraction and Removal of Rock Minerals and Mining:

- i. Quarrying of aggregate, limestone, silica, quartzite, sandstone, sand, marble and stones which may cause damage or have an adverse impact on fragile ecosystems;
- ii. Open cast mining or prospecting for minerals or any form of mining for minerals which is likely to affect the landscape of the mining area so as to require rehabilitation thereof upon the cessation of mining activities.

Any person who intends to undertake any of the Prescribed Activities shall submit to the Natural Resources and Environmental Board ("NREB") a report to be prepared by an expert or authority as may be approved by the NREB on (a) the impact of such activities on the environment and on the sustainable utilization, preservation and management of the natural resources of Sarawak; and (b) on the measures being preventive, mitigating or abatement to be taken for the protection and enhancement of the environment.

No prescribed activities shall be carried out or commenced until:

- A report required to be submitted under Article 3 has been considered by NREB and NREB, subject to such orders or directions as NREB is empowered to make under the Ordinance, has given permission in writing for such activities to be undertaken or commenced; and
- The person carrying out such activities has undertaken in writing to comply with all such orders or directions as may be made by NREB, and to allow NREB to carry out such works as NREB may deem necessary under Section 11 of the Natural Resources and Environment Ordinance.

Where there is a breach of the above:

- a) The Controller may by notice in writing direct any of the prescribed activities shall cease forthwith;
- b) The person in contravention shall be guilty of an offence, whereby the penalty is a fine of ten thousand ringgit or imprisonment for five years or to both fine and imprisonment.

Pursuant to Regulation 3(3) and Rule 3(3) of the Minerals Regulations 2012 and Mining Rules 1995 respectively, the Superintendent may require the applicant to furnish to him such other information, particulars or details as he may deem necessary for the purpose of processing the application including a copy each of the report on the environmental impact assessment and environmental protection.

1.3.2 Sarawak Land Code – Foreign Ownership

A foreign company or party is generally prohibited from holding any estate, interests or right in any land in Sarawak except for the following (Section 13A and 13E of the Sarawak Land Code):

- residential properties not less than RM600,000.00 (for Kuching only) and not less than RM500,000 (in Sarawak but outside Kuching);

- properties within a Special Development (Exemption from Prohibition of Foreign Interests) Area; and
- any individual parcels within a building with strata titles.

Without prejudice to the above, an estate or interest or right in any land in Sarawak may, with the consent of the Minister, be acquired by any of the following (Section 13B of the Sarawak Land Code):

- a company registered in Malaysia and with more than fifty percent (50%) of its voting power at any general meeting being held by persons who are non-Malaysian citizens; and
- any foreign government or sovereign of any foreign country; and
- any person or body corporate which is a trustee under a trust, any beneficiary of which is a company with more than fifty percent (50%) of the voting power at any general meeting being held by persons who are non-Malaysian citizens or any foreign government or sovereign of any foreign country.

Therefore, if a local Malaysian company with the right to exercise or control of more than 50% at any general meeting is being owned by a foreign party, the Minister's consent is needed to do the following:

- To hold and be registered as a registered proprietor of any land in Sarawak; and
- To enter into a sublease of any land in Sarawak.

Importantly, any instrument of agreement purporting to transfer or convey any right, interest or estate in land to or to vest or confer any such right, interest or estate on, any foreign person, foreign company, foreign corporation, or other foreign body in contravention of the above shall be deemed to have been entered into for an illegal consideration and shall be void, and any consideration provided or furnished pursuant thereto shall not be recoverable in any court nor shall any relief be afforded to any person claiming that any such consideration promised has not been paid or furnished. (Section 13F of the Sarawak Land Code)

Where an instrument executed in contravention of the above has been registered under Part VII of the Sarawak Land Code, the Registrar shall make an endorsement on the appropriate Register cancelling the registration thereof. The registered proprietor of any land and any person who is a party to any such instrument or agreement shall be guilty of an offence, and, upon conviction, shall be liable to a fine of not exceeding MYR 50,000.00 and, in the case of a continuing offence, to a further penalty of MYR 500.00 per day for every day during which the offence continues. Where an offence has been committed by a body corporate, a person who at the time of the commission of the offence is a director, manager, secretary or other similar officer of the body corporate or a person who is purporting to act in such capacity shall, as well as the body corporate, be deemed to be guilty of the offence unless he proves that the offence has been committed without his knowledge or that he took reasonable precautions to prevent its commission, or in the case of a continuing offence, the continuation thereof.

1.3.3 Heritage

Pursuant to section 22(a) of the Sarawak Cultural Heritage Ordinance 1993 (Cap. 6), no person shall, without the permission in writing of the Director of Museum Sarawak or other lawful authority excavate, build, plant or fell trees, quarry, irrigate, burn lime or do similar work, or deposit earth or refuse, on or in the immediate neighbourhood of an historical monument or an historical site. If in doubt, it is advisable for the miner to consult the Director of the Sarawak Museum before carrying out prospecting or mining work on the land.

If one discovers any object or monument which they have reason to believe to be an antiquity while prospecting or mining on the land, section 4 of the Sarawak Cultural Heritage Ordinance provides that one shall forthwith give notice of discovery to the Director of Sarawak Museum or to the District Officer of the District wherein the antiquity was discovered, and shall take all reasonable care and precautions and exercise all due diligence to avoid or prevent damage or loss to the antiquity and, if it is practicable so to do, shall deliver the antiquity to the Director or the District Officer, who shall issue a receipt for it.

1.3.4 Native Customary Rights

Under the Minerals Ordinance (Sections 23(1)(c) and 72(6)), where an application for a prospecting licence, mining certificate or mining lease relates to land over which natives have claimed customary rights, the applicant shall pay compensation to the lawful claimants to native customary rights for any loss, damage or disturbance to land and property. Similarly, under the previous Mining Rules, in the event an application for a prospecting licence (which covers general and exclusive prospecting licences), mining certificate or mining lease relates to land over which natives have claimed customary rights, the applicant shall bear and pay all costs and expenses that may be incurred for the extinguishment of such native customary rights over the land intended to be covered by the prospecting licence, mining certificate or mining lease.

The claim on native customary rights land is more common in the rural areas. Miners unfamiliar with these laws should consult the District Officer before mining in such areas.

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2 RELEVANT MINING TENEMENT INTERESTS

2.1 AMENDED AND RESTATED SALE AND PURCHASE OF SHARES IN NORTH BORNEO GOLD SDN. BHD. BETWEEN GLADIOLI ENTERPRISES SDN. BHD. AND BESRA LABUAN LIMITED DATED 17 NOVEMBER 2016 ("2016 SPSA")²

Pursuant to the 2016 SPSA, Gladioli Enterprises agreed to sell and BLL agreed to purchase from Gladioli Enterprises shares in NBG in a series of tranches namely Tranche One Shares, Tranche Two Shares, Tranche Three A Shares, Tranche Three B Shares, Tranche Three C Shares, Tranche Four A Shares, Tranche Four B Shares, Tranche Four C Shares and Tranche Four D Shares.

Based on the information available to us, it appears that as of 31 March 2021

- (a) the parties have fully settled the sale and purchase of the shares up to Tranche Four A Shares; and
- (b) where Tranche Four B Shares are concerned, based on the information provided to us by Besra Group:
 - i. Besra Gold has received the Certificate of Full Performance from the proposal trustee in respect of Besra's proceedings under the Bankruptcy and Insolvency Act on 12 May 2017 which triggered the payment for the Tranche Four B Shares in the sum of CAD\$1,250,000 less an amount equal to MYR111,150 which shall be retained by the BLL in repayment of the Gladioli Loan;
 - ii. the Conditions Precedent provided under clause 8.4 of the 2016 SPSA have either been fulfilled or waived by BLL;
 - iii. BLL and Gladioli Enterprises via emails dated 18 May 2017 agreed that BLL will remit CAD\$800,000, and the balance purchase price be deferred until the release of the escrow funds to Besra Gold which is expected by the end of June 2017;
 - iv. however, on 29 June 2017, BLL has informed Gladioli Enterprises via email that BLL will remit CAD\$500,000 instead and the shortfall will be paid upon the release of the escrow funds;
 - v. although Gladioli Enterprises did not expressly confirm in writing that Gladioli Enterprises agreed with the above, Gladioli Enterprises has transferred 1,479 shares out of 3,698 shares being part of Tranche Four B Shares to BLL as requested by BLL;
 - vi. the escrow funds are held by Caravelle Law and the escrow funds will only be released after the lifting of the Cease Trading Orders on Besra Gold;
- (c) We are informed by Besra Group that the sale and purchase of Tranche Four C Shares and Tranche Four D Shares have yet to be completed and BLL has the right to purchase 16,221 ordinary shares of NBG, being the remaining Tranche Four B Shares, Tranche Four C Shares and Tranche Four D Shares;

² Clause 17.4 (Entire Agreement) of the 2016 SPSA provides that "this Agreement constitutes the entire understanding and agreement of the parties relating to the sale and purchase of the Shares and supersedes and extinguishes all prior agreements and understandings between the parties relating to the sale and purchase of the Shares". Relying on Clause 17.4 of the 2016 SPSA, the following agreements are superseded by the 2016 SPSA):-

1. Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. between Gladioli Enterprises Sdn. Bhd., Olympus Pacific Minerals NZ Limited (now known as Besra Labuan Limited) and Ling Lee Soon dated 1 October 2010; and

2. Amended and Restated Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. between Gladioli Enterprises Sdn. Bhd. Besra Labuan Limited and Ling Lee Soon dated 12 May 2013.

- (d) clause 1.1 of the 2016 SPSA states that Tranche Four C Shares comprising of 3,698 shares at the price of CAD\$1,250,000 payable on the tenth Business Day following a Qualified Financing ³provided that if there is no Qualified Financing prior to the settlement of the Tranche Four C Shares, then the settlement date for the Tranche Four C Shares shall be the same date as the settlement date for the Tranche Four D Shares; and
- (e) clause 1.1 of the 2016 SPSA states that Tranche Four D Shares, comprises of 10,304 fully paid "Class A" ordinary shares in the capital of NBG held by Gladioli Enterprises, and all other shares (if any) in the capital of NBG issued to Gladioli Enterprises after the date of the 2016 SPSA. However, the former excludes such number of ordinary shares and preference shares as comprises 1.5% of the total issued ordinary shares and preference shares of NBG at the price of CAD\$3,500,000, plus common shares of Besra Gold at a price per common share equal to the Listing Price having an aggregate value of CAD\$2,000,000 payable on the tenth Business Day after the date of the Relisting.⁴

As at 31 March 2021, based on the above information in the 2016 SPSA, Besra Gold has an indirect control on NBG through BLL and BML; and the current shareholding of NBG as follows:-

Shareholder	Number of Shares at MYR 1.00 each
BML	137,500
BLL	92,529
Gladioli Enterprises	19,971

("NBG Shareholding Table")

[Note that based on the definition of "Besra" as provided under Clause 1.1 of the 2016 SPSA, Besra Gold Inc (formerly Olympus Pacific Minerals Inc) is a company incorporated in Canada under the Canada Business Corporation Act ("Besra Gold") being the ultimate parent company of Bau Mining Limited, a company incorporated in Samoa under the International Companies Act 1987 ("BML") and Besra Labuan Limited (formerly known as Olympus Pacific Minerals NZ Limited) a company originally incorporated in New Zealand and registered as being continued in Labuan, Malaysia ("BLL"). As BML is not a company registered in Malaysia, we would not be able to verify the relationship between BML and Besra Gold. As for BLL, based on the search conducted on 7 April 2021, it is the wholly owned subsidiary of Besra Gold.]

³ "Qualified Financing" as per the Definitions in 2016 SPSA means an issuance from treasury of common shares of Besra Gold at a price per share of not less than CAD\$0.02 and resulting in gross proceeds to Besra Gold of at least CAD\$5,000,000.

⁴ "Relisting" as per the Definitions in the 2016 SPSA means the listing of the common shares of Besra Gold on any of Toronto Stock Exchange, TSX Venture Exchange, Australian Securities Exchange, Bursa Malaysia, Singapore Exchange, Hong Kong Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, London Stock Exchange (including the AIM Exchange), New York Stock Exchange, NASDAQ Stock Exchange or American Stock Exchange.

Gladioli Enterprises may terminate the 2016 SPSA where BLL fails to pay the purchase price or any other payment required under the agreement when it is due and such default is not remedied within 10 days of receiving notice from Gladioli Enterprises. [Clause 13 of the 2016 SPSA]

Gladioli Enterprises (or any other Gladioli Companies) must, when requested by BLL or NBG, do all things necessary to ensure that the Tenements are transferred into the name of NBG, or such other company as requested by Besra Labuan which meets the minimum Bumiputera shareholding requirements. This shall not be applicable to the MC/1D/2/1987 currently under renewal pertaining to the small area near Pangga/Buso (Area A) adjacent to Gladioli's surrounding quarrying licences and present operations although it shall be applicable to the MC area in Subang (Area B) under the same MC/1D/2/1987. BLL and NBG shall obtain prior approvals in writing from the Sarawak Government for the transfers of the said tenements of the Gladioli Companies to the name of NBG at their own cost while Gladioli Enterprises shall endeavour best to render assistance to facilitate the said transfers. [Clause 10.2 of the 2016 SPSA]

Under the 2016 SPSA, Gladioli Enterprises has a 1.5% "free carry" interest in NBG. It is free carried to the extent that BLL carries the cost of Gladioli Enterprises stake until dividends are payable in respect to it, in which case Gladioli Enterprises' contribution is to be repaid out of the dividends payable to it. Gladioli Enterprises covenants in favour of BLL and NBG that it will continue to assist and cooperate with BLL to ensure NBG meets the minimum Bumiputera shareholding requirements as required under Malaysian law, including ensuring Gladioli Enterprises has sufficient Bumiputera shareholding in itself. [Clauses 10.1 and 11.2 of the 2016 SPSA]

No party can assign any of its rights or obligations under this agreement without the prior written consent of each of the other parties. The agreement is governed by the laws of Malaysia. [Clauses 17.6 and 17.10 of the 2016 SPSA]

SPSA Variation Agreement

A further Third Amendment Agreement was entered into between Gladioli Enterprises, BLL, Besra Gold, Pangaea Resources Limited ⁵("Pangaea") and Bukit Young Goldmine Sdn Bhd to amend the 2016 SPSA ("**SPSA Variation**"). The SPSA Variation was signed and held in escrow by Wolf Theiss pursuant to the letter from Wolf Theiss dated 13 April 2021 with the subject line (Escrow of Third Amendment Agreement 387413780) ("the Escrow Letter").

However, Wolf Theiss had by email instruction to the various parties on 7 July 2021 12:17 AM (GMT+8) ("WT's Email") stated that Wolf Theiss, as escrow agent, will upon the first of the following to occur (i) receipt of acknowledgement of this email from each of Kadir Wong, Lin & Co and Gilbert + Tobin; or (ii) 24 hours following sending of WT's Email, release the signed counterparts of the SPSA Variation from escrow for the parties to date and this will become binding and of full force and effect. We have since received from Besra Group, a copy of the signed SPSA Variation dated 7 July 2021.

Furthermore, it is confirmed in WT's Email that the payment of the Pangaea Tranche One Consideration (as that term is defined in paragraph (b) below) has been made by Pangaea to Gladioli Enterprises. The SPSA Variation being in full force and effect would mean the following:

- a) BLL and Besra Gold are released of their obligations to complete the purchase of the remaining 16,221 shares in NBG (outlined in the 2016 SPSA) in consideration of the issue to Gladioli Enterprises of 12,500,000 Besra Gold CDIs issued at AUD\$0.20 upon Listing⁶, other terms and conditions of the 2016 SPSA remaining;
- b) Pangaea agreed to purchase for a cash consideration of AUD\$4.5 million from Gladioli Enterprises, 16,221 fully paid "Class A" ordinary shares in NBG, to be paid in two tranches (i.e i) AUD \$4,000,000 ("**Pangaea Tranche One Consideration**") which payment is confirmed by WT's Email, and ii) AUD \$500,000 payable within 9 months of the signing of the SPSA Variation for the purchase of 1,802 shares in NBG);

⁵ (Company number 174,489) c/- Cromwell House, Ground Floor, 117 Albert Street, (PO Box 2102) Belize City, Belize.

⁶ "Listing" means Besra Gold being admitted to the official list of the ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

- c) In consideration of the issue to Pangaea of 20,000,000 Besra Gold CDIs issued at AUD\$0.20 each upon Listing, Pangaea agrees to transfer to BLL 14,419 Shares which Pangaea will acquire from Gladioli Enterprises pursuant to the SPSA Variation; and
- d) If Listing does not occur within 12 months of the date of the SPSA Variation, the obligations of Besra Gold under clause 6(b) of the SPSA Variation to issue to Gladioli Enterprises and Pangaea 12,500,000 CDIs in Besra Gold and 20,000,000 CDIs in Besra Gold respectively (which is more particularly set out in paragraph (a) and (c) above) shall terminate forthwith and Gladioli Enterprises and Pangaea shall be deemed to have advanced to Besra Gold, the sum of AUD\$2,500,000 and A\$4,000,000 respectively, which advances will be unsecured, have a term of 12 months, bear interest at the rate of [4%] per annum capitalising six-monthly, in the event of Listing, be convertible automatically into Besra Shares (or CDIs) at the Listing Price (as defined in the 2016 SPSA); and otherwise be repayable as to principal and accrued interest on maturity.

Based on the information made available to us, as of 7 July 2021, the transfer of the 14,419 shares from Gladioli Enterprises to Pangaea referred to in paragraph (b) above has yet to be completed, since the signing of the share transfer form by the relevant parties has yet to be fully procured. However, it is noted that Wolf Thiess has confirmed in WT's Email that the Pangaea Tranche One Consideration has been paid by Pangaea to Gladioli Enterprises. Nevertheless, it is an implied term of the SPSA Variation that the parties are required to procure the necessary actions to complete the transfer of the aforesaid shares. Furthermore, pursuant to section 51 of the Companies Act 2016, NBG shall be required to notify the Registrar of the changes in the particulars in the register of shareholders within fourteen days from the date of the transfer. Therefore, since the transfer of the 14,419 shares from Gladioli Enterprises to Pangaea has yet to be completed, the current shareholding in NBG remains unchanged as per the above NBG Shareholding Table on page 25.

2.2 EXPLORATION AND SHAREHOLDERS AGREEMENT

An Amended and Restated Exploration and Shareholders' Agreement Relating to the Bau Project dated 29 October 2010 (hereinafter "the Amended and Restated ESA") was executed by the following parties:

- i. Gladioli Enterprises Sdn Bhd ("Gladioli Enterprises");
- ii. Bukit Lintang Enterprises Sdn Bhd;
- iii. Carino Sdn Bhd;
- iv. Priority Trading Sdn Bhd;
- v. Buroi Mining Sdn Bhd;
- vi. Gunong Wang Mining Sdn Bhd;
- vii. Bukit Young Goldmine Sdn Bhd;
- viii. Bau Mining Limited ("BML");
- ix. Olympus Pacific Minerals NZ Limited ("Olympus");
- x. Alexander Ling Lee Soon;
- xi. John bin Jais @ Jae; and
- xii. North Borneo Gold ("NBG")

(hereinafter collectively known as "the Amended and Restated ESA Parties")

The Amended and Restated ESA is stated at Clause 46.1 to constitute the entire agreement between the Amended and Restated ESA Parties and supersedes the Heads of Agreement between Olympus and Gladioli Enterprises dated 26 June 2006 and the Exploration and Shareholders' Agreement Relating to the Bau Project dated 3 November 2006, unless otherwise expressly stated.

Subsequently, a Supplemental Agreement was entered into between Gladioli Companies, BML, Besra Labuan Limited), John bin Jais @ Jae and North Borneo Gold Sdn. Bhd. dated 17 November 2016 ("**2016 Supplemental Agreement**"). among others, Clause 2 of the 2016 Supplemental Agreement provides that Alexander Ling Lee Soon and Richard Hou Hee Phat are released from all their obligations and liabilities under the Amended and Restated ESA read together with the ESA. As such, the effective parties under the Amended and Restated ESA are only the Gladioli Companies, BML, BLL and John bin Jais @ Jae.

The following are Clauses in the Amended and Restated ESA that appear to inform which mineral tenements currently held by any of the Amended and Restated ESA Parties are relevant to Besra's interest in the Bau Project:

- Clause 4.1 (f): "Each of the Gladioli Companies covenants in respect of the Tenement or Tenements held by it (including, for the avoidance of doubt, any Licence Applications made by it) in favour of BML, Olympus and NBG that at all time during the term of this Amended and Restated ESA]... [i]t shall procure that all beneficial interest in the Tenements and the Specified Assets remains vested in NBG at all times and (except as expressly permitted pursuant to this Deed) the Gladioli Companies shall not do anything with or in relation to the Tenements and Specified Assets except with the prior written consent of NBG as beneficial owner of the same;"
- Clause 6.1: "Each of the Gladioli Companies hereby irrevocably and unconditionally grants NBG the right to explore, develop, and mine the Tenements."
- Further, Clause 1.1 defines the following terms:
 - "Gladioli Companies" means Gladioli [Enterprises], Bukit Lintang, Carino, Priority Trading, Buroi Mining, Gunong Wang and Bukit Young and "Gladioli Company" means any one of them;
 - "Licence Applications" means the EPL, GPL, mining lease and other the tenement applications listed in Schedule D;
 - "Tenements" means:
 - (a) Those mining tenements (including mining leases and mining certificate listed in Schedule A including any renewal or replacement thereof;
 - (b) The Licence Applications listed in Schedule D (including the areas the subject of such applications) and all tenements issued pursuant to the Licence Applications, including any renewal or replacement thereof;
 - (c) Any other mining tenement or mining tenements which may be granted in lieu of or relate to the same ground as the mining tenements and licence applications referred to in paragraphs (a) and (b), including any renewal or replacement thereof;
 - (d) Any other mining tenement or mining tenements held by or which may during the term of this Agreement be granted to:
 - i. NBG; and / or
 - ii. A Gladioli company; and/ or
 - iii. A "related corporation" of any Gladioli Company within the meaning of section 6 of the Malaysian Companies Act 1965; and/or
 - iv. One or more of the shareholders of a Gladioli Company or an entity controlled directly or indirectly by any one or more of them,

in each case over ground abutting (or in the area of) the mining tenements referred to in paragraphs (a), (b), and (c) above, including any renewal or replacement thereof, and includes all rights associated with the mining tenements and licence applications referred to in paragraphs (a) to (d) above, all survey and technical information relating to such mining tenements and licence applications and adjacent areas and other privileges appurtenant to such tenements, applications, and mining; ..."

Even though the definition of "Tenements" under clause 1.1 of the Amended and Restated ESA include those mining tenement or mining tenements held by or which may during the term of the Amended and Restated ESA be granted to or more of the shareholders of a Gladioli Company or an entity controlled directly or indirectly by any one or more of them, it should be noted that the shareholders of Gladioli Companies have changed since the Amended and Restated ESA was entered into and that the new shareholders are not parties to the agreement. As such, the Amended and Restated ESA will not capture those tenements held by the new

shareholders or those entity(ies) directly or indirectly controlled by them. This means that the current shareholders of Gladioli Companies who are not the parties to the agreement such as Adrian Ling Yew Huang and also Ling Lee Soon (who has been released from the agreement by virtue of the 2016 Supplemental Agreement) can personally or through a company controlled by them apply for new tenements and NBG will not have interest on such tenements.

Schedule A and D of the Amended and Restated ESA lists out a number of tenements and applications for renewal/new tenements. However, please note that the below list merely reproduces the headings as stated in the Schedules of the Amended and Restated ESA and are **not reflective of the actual current status of the tenements nor the applications**; for the actual current status of the tenements and applications, kindly refer to Paragraph 2.4 of this Report instead.

Schedule A of the Amended and Restated ESA sets out, inter alia:

- Granted Mining Leases (Detailed findings shown in Table 1 of this Report)
- Granted Mining Certificates (Detailed findings shown in Table 3 of this Report)

Schedule D sets out of the Amended and Restated ESA, inter alia:

- Mining Lease under renewal application (Detailed findings shown in Table 4 of this Report)
- Mining Certificate under renewal application (Detailed findings shown in Tables 2 and 5 of this Report)
- New application of ML over expired ML of Other Companies (Detailed findings shown in Table 6 of this Report)
- Exclusive Prospecting Licences ("EPL") under renewal application (Detailed findings shown in Table 7 of this Report)
- EPL under new application (Detailed findings shown in Table 8 of this Report)
- General Prospecting Licences under renewal application (Detailed findings shown in Table 9 of this Report)
- General Prospecting Licence under new application (Detailed findings shown in Table 10 of this Report)
- GPL under EPL application (Detailed findings shown in Table 11 of this Report)

For the purposes of this Report, we adopt the definition of the term "Tenements" used in the Amended and Restated ESA.

2.3 INTERESTS OF BESRA GROUP IN THE TENEMENTS

By virtue of the Amended and Restated ESA, the Gladioli Companies, being the holder of the Tenements, have granted the right to NBG to carry out Exploration on the Tenements. Pursuant to Clause 1.1 of the Amended and Restated ESA, "Exploration" shall mean all activities conducted towards the discovering, location and delineation of commercial ore bodies within the Exploration Area and shall, without limitation, include the carrying out of Final Feasibility Studies and other feasibility studies and any other work necessitated by or reasonably associated with such activities or calculated to lead to a decision to develop a Project.

We were instructed by the representative of Besra Group that NBG has not completed the Final Feasibility Study and NBG has yet to make a Development Decision. Pursuant to Clause 16.1 of the Amended and Restated ESA, a Development Decision will be made on the completion of the Final Feasibility Study and the Project can proceed on:-

- (a) first option: the basis that NBG will have sole economic and beneficial ownership of the mined ore, where subject to clause 6.7 of the Amended and Restated ESA, Gladioli Companies shall irrevocably and unconditionally assign to NBG all of their right, title, and interest in all mined ore, minerals, and other products extracted from the Mine the subject of the Development Decision such that NBG can deal with such ore as it sees fit and receive all economic benefit in such ore [clause 16.3(a)];

(b) second option: the basis that title to the mined ore will remain with the relevant Gladioli Companies, in which case the Project will proceed on the basis of the Development and Mining Agreement and Ore Sale and Purchase Agreement structure [clause 16.3(b)]; or

(c) third option: such other basis as BML and Olympus may require, in which case, each of the Gladioli Companies and the Gladioli Shareholders shall do all acts and things, and sign all documents, as BML and Olympus may require to implement the Project and ensure that the sole economic and beneficial ownership of all mined ore vests unconditionally and irrevocably in NBG [clause 16.3(c)].

Notwithstanding that Gladioli Companies have granted the right to NBG to develop and carry out mining activities on Tenements upon the Development Decision being made, the right of NBG to develop the mine and carry out the mining activities is not guaranteed as:-

- (a) should NBG elect to proceed the Project based on the first option, it is subject to prior approvals in writing from the Sarawak Government for the transfers of the said Tenements of the Gladioli Companies to the name of NBG [clause 6.7(d) of the Amended and Restated ESA];
- (b) should NBG elect to proceed with the Project based on the second option or the third option, it is possible that the Project may be construed as a means to circumvent the provisions of the Minerals Ordinance (in relation to transfer of Tenements) as well as the Sarawak Land Code (Cap. 81) (in relation to acquisition of land by foreigner), and if so, a consent from the Minister of Urban Development and Natural Resources has to be obtained. Otherwise, those provisions may be void under section 25 of the Contracts Act 1950.

Pursuant to Clause 16.7 of the Amended and Restated ESA, the Gladioli Companies acknowledge and agree that both BLL and BML would prefer for the Tenements the subject of a Project to be transferred to NBG. Each of the Gladioli Companies agrees to indemnify and hold harmless each of BML, BLL and NBG from and against all losses (including lost profits and revenues), costs, expenses, claims and liabilities that they suffer or incur as a result of legal title to the relevant Tenements not being transferred to NBG prior to commencement of a Project⁷. For the purpose of this indemnity BML, BLL and NBG shall be deemed to have suffered a loss to the extent that the aggregate economic benefits accruing to each of them as a result of a Project are less than the aggregate benefits that would have accrued to each of them had the Project proceeded on the basis that legal title to the relevant Tenements was held by NBG. [Note that pursuant to Clause 10.2 of the 2016 SPSA, it is the duty of BLL and NBG to apply for prior approvals in writing from the Sarawak Government for the transfers of the said tenements of the Gladioli Companies to the name of NBG while Gladioli Enterprises shall endeavour best to render assistance to facilitate the said transfers.]

Our analysis on the interest of Besra Gold in BML is derived solely from the contents of the foregoing contracts that have been provided to us without any independent verification with regards to the corporate structure or character of Besra Gold and Besra NZ Ltd as this is outside the scope of this Report.

- a) Heads of Agreement between Zedex Minerals Limited and Gladioli Enterprises Sdn. Bhd. dated 26 June 2006 ("Heads of Agreement");
- b) Exploration and Shareholders' Agreement Relating to the Bau Project between Gladioli Enterprises Sdn. Bhd., Bukit Lintang Enterprises Sdn. Bhd., Carino Sdn. Bhd., Priority Trading Sdn. Bhd., Buroi Mining Sdn. Bhd., Gunong Wang Mining Sdn. Bhd., Bukit Young Gold Mine Sdn. Bhd. (collectively referred to as "Gladioli Companies"), Bau Mining Limited, Zedex Minerals Limited, Ling Lee Soon, John bin Jais @ Jae, Richard Hou Hee Phat and Natural Kalimantan Gold Sdn. Bhd. (now known as North Borneo Gold Sdn. Bhd.) dated 3 November 2006 ("ESA"); [Note that pursuant to Recital (c) of the Amended and Restated ESA, Olympus Pacific Minerals NZ Limited (now known as Besra Labuan Limited) and Zedex Minerals Limited amalgamated under Part XIII of the New Zealand Companies Act 1993 on 13 January 2010 and by virtue of such amalgamation Olympus Pacific Minerals NZ Limited has succeeded to all the property, rights, powers, privileges, liabilities, and obligations of Zedex Minerals Limited (including, without limitation, the rights and obligations of Zedex Minerals Limited under the ESA);

⁷ Pursuant to Clause 1 of the Amended and Restated ESA, "Project" means the development, equipping and operation of a Mine or Mines and/or the construction and operation of a Mill and/or the sale of milled product.

- c) Power of Attorney dated 2 November 2006 given by Gladioli Companies in favour of Natural Kalimantan Gold Sdn. Bhd. (now known as North Borneo Gold Sdn. Bhd.) and Bau Mining Limited ("2006 Power of Attorney");
- d) Exploration and Shareholders' Agreement Relating to the Bau Project between Gladioli Companies, Bau Mining Limited, Olympus Pacific Minerals NZ Limited (now known as Besra Labuan Limited), Alexander Ling Lee Soon, John bin Jais @ Jae and North Borneo Gold Sdn. Bhd. dated 29 October 2010 ("Amended and Restated ESA"); (Clause 46.1 of the Amended and Restated ESA provides that except as expressly stated otherwise in the Amended and Restated ESA (including, without limitation, Clause 3.11), the Amended and Restated ESA constitutes the entire Agreement between the parties with respect to its subject matter and supersedes the Heads of Agreement and the ESA. Pursuant to Clause 3.11 of the Amended and Restated ESA, nothing in the Amended and Restated ESA limits, restricts or affects in any way any warranty, indemnity or other right or benefit conferred on or given of Bau Mining Limited, Besra Labuan Limited and North Borneo Gold Sdn. Bhd. under the ESA);
- e) Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. between Gladioli Enterprises Sdn. Bhd., Olympus Pacific Minerals NZ Limited (now known as Besra Labuan Limited) and Ling Lee Soon dated 1 October 2010 ("2010 SPS");
- f) Amended and Restated Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. between Gladioli Enterprises Sdn. Bhd. Besra Labuan Limited and Ling Lee Soon dated 12 May 2013 ("2013 SPSA");
- g) Amended and Restated Agreement for Sale and Purchase of Shares in North Borneo Gold Sdn. Bhd. between Gladioli Enterprises Sdn. Bhd. and Besra Labuan Limited dated 17 November 2016 ("2016 SPSA"); (Clause 17.4 (Entire Agreement) of the 2016 SPSA provides that "this Agreement constitutes the entire understanding and agreement of the parties relating to the sale and purchase of the Shares and supersedes and extinguishes all prior agreements and understandings between the parties relating to the sale and purchase of the Shares". Relying on Clause 17.4 of the 2016 SPSA, the 2010 SPSA and 2013 SPSA are superseded by the 2016 SPSA).;
- h) Supplemental Agreement between Gladioli Companies, Bau Mining Limited, Besra Labuan Limited), John bin Jais @ Jae and North Borneo Gold Sdn. Bhd. dated 17 November 2016; and
- i) Third Amendment Agreement dated 7 July 2021 between Gladioli Enterprises Sdn. Bhd., Besra Labuan Ltd, Besra Gold Inc., Pangaea Resources Limited and Bukit Young Goldmine Sdn. Bhd ("**SPSA Variation**") (read together with the Escrow Letter and WT's Email). [Note that the copy of the Third Amendment Agreement provided to us does not include Annexure D, the Draft Prospectus].

2.4 OPINION ON TENEMENTS

2.4.1 Valid Tenements Owned and Applications which have been Approved

(a) As at 31 March 2021, there are eleven (11) valid Tenements owned by Gladioli Companies, whereby subject to the issues highlighted in this report, and based on our inspection of the Register of mining leases and certificates at the Land and Survey Department as well as the information/documents received from the Gladioli Companies as at 31 March 2021: other than the Notices of Intention to Forfeit issued with regard to the 4 MLs as mentioned in sub-clause (a)(i) below, there does not appear to be any other Notice of Intention to Forfeit, and further, there does not appear to be a Memorial of Forfeiture registered in relation to any of these 11 valid MLs. The details of these 11 Tenements are set out in Tables 1 and 2 of this Report.

- i. Four of these MLs have been subject to a Notice of Intention to Forfeit issued by the SMMA (i.e. 1D/136/ML/2008, ML/01/2012/1D, ML/03/2012/1D, and ML/04/2012/1D). The full details regarding these Notices are in Paragraph 2.4.6 below, while Paragraph 1.2.3 above contains the legal provisions in relation to forfeiture. Briefly, we note that these Notices state that the respective tenement holders shall make a written representation to the SMMA within 30 days from the date of service of the Notice. We have been informed by Gladioli Companies that a written representation in respect of ML/04/2012/1D was provided to the authorities, although no written representation was submitted in relation to Mining Leases No. 1D/136/ML/2008, ML/03/2012/1D and ML/01/2012/1D. As at 31 March 2021, we were informed by Gladioli Companies that there was no

update/reply/further notices received by the licence holders from the authorities in relation to this matter of the four Notices of Intention to Forfeit. Similarly, it would appear that the authority has not indicated that this matter has been resolved, or whether they are satisfied with the representations/appeals submitted by the tenement holders. As at 31 March 2021, our inspection of the Registry at the Land Office did not reveal that any Memorial of Forfeiture has been registered in relation to any of these 4 MLs.

- ii. It is noted that the expiry dates of 10 MLs are between the Years 2023 to 2025, while another expires in 2033. The Minerals Ordinance does contain provisions for application for renewal of a mining lease, however there are conditions to be complied with, and whether or not renewal is granted would be subject to the authorities' decision.
- iii. The Bau Gold Project is currently under "care and maintenance" basis and NBG has not commenced any development/operations/mining works in relation to any of the 11 valid mining tenements.
- iv. It is further noted that 10 of these MLs were issued before 1st July 2010, namely before the Minerals Ordinance 2004 took effect. In this regard, the hitherto effective Mining Ordinance (Cap. 83) states at Section 14(1)(c)(i) that in the absence of any express conditions to the contrary, it shall be an implied covenant and condition in every mining lease that the lessee will commence mining operations upon or beneath the land within a period of one year from the date of issue of the mining lease. Section 18 of the Mining Ordinance then states that a breach of or default in observance of any of the covenants or conditions of a mining lease shall render the lease liable to forfeiture. Even under the currently in force Minerals Ordinance, section 57(1) generally requires that the holder of a mining lease or certificate shall commence development work within nine months from the date of registration of the lease or certificate. This would appear to be overdue, as the most recent registration amongst these 10 MLs was done on 22nd June 2012.
- v. There is one (1) ML (ML No. 01/2013/1D) granted to the Gladioli Companies which was registered after the new Minerals Ordinance came into force, i.e. after 1st July 2010. Likewise, there has been no commencement of development work within nine months of from the date of registration of this ML No. 01/2013/1D, as required by section 57(1) of the Minerals Ordinance. However, we note that one of the conditions of this particular tenement expressly requires the Lessee to carry out an EIA Report before the commencement of any mining activity. In such cases, section 57(1) of the Minerals Ordinance provides an exception: where the lease or certificate is subject to a condition or requirement under the Minerals Ordinance which prohibits the commencement of development work until such condition or requirement is satisfied, then, the holder shall commence development work within **nine months of the date on which such condition or requirement has been satisfied**. As at 31 March 2021, we have been informed by Gladioli Companies that the EIA Report has not yet been completed. A Lessee is expected to fulfil such conditions within reasonable time so as to not delay the commencement of mining activities. However, we are informed by Gladioli Companies that as at 31 March 2021, there has not been any notice/letters with regards to forfeiture received by the licensee in relation to this tenement.
- vi. Section 58(1) states that the SMMA may forfeit the mining land in respect of which a mining lease or certificate has been granted if it is satisfied that the holder thereof has contravened any of the provisions of the Minerals Ordinance. The effect of forfeiture according to section 61 of the Minerals Ordinance, includes amongst others that the mining land, in respect of which the ML has been granted shall revert to, and vest in, the Government as State land, freed and discharged from any title or interest subsisting or capable of arising immediately before the forfeiture took effect.
- vii. Nonetheless, as at 31 March 2021, according to our inspection of the Register of mining leases and certificates at the Land and Survey Department (Enforcement Branch, Kuching Division), it appears that each of the 11 MLs are currently valid. Further, our inspection of the Registry as at 31 March 2021 did not reveal that any Memorial of Forfeiture has been registered in relation to any of these 11 valid Tenements.
- viii. In relation to the registration status of each of the valid Tenement, based on our physical inspection of the original copies of the 11 Tenements at Gladioli Companies' office in 2018, it is noted that each of

the 11 Tenements has been signed and registered. As at 31 March 2021, through our inspection of the Register at the Land and Survey Department however, the following discrepancies were found:

- The registration date for ML 1D/134/ML/2008 has not been entered;
- A different registration date for ML 1D/136/ML/2008 has been entered; and
- The copy of ML/142/1D in the Register has not been signed nor its registration date entered.

However, we were informed verbally by the attending officer at the Land Office that the abovementioned three tenements are indeed registered. On that basis, it would appear that the discrepancies are administrative errors and the respective tenement holders are advised to liaise with the Land & Survey Department to regularise these discrepancies in the Register.

(b) There are two (2) MLs (MC No. 1D/2/1987 (A) and MC No. SD/1/1987) for which applications have been approved but the MLs not issued yet, pending the satisfaction of certain conditions by the applicant company.

- i. According to section 47(3) of the Minerals Ordinance 2004, no development work or mining shall commence on the mining land unless a mining certificate has been issued.
- ii. In relation to MC No. SD/1/1987, upon inquiry of its status with the Land & Survey Department (Serian Division), we were informed via the Department's letter dated 25 February 2019, that in view that the approval was made a while ago, should the Gladioli Companies still be interested to pursue this application, then a resubmission of the application should be made.

2.4.2 Renewal of ML and MC in Schedules A and D of the Amended and Restated ESA

As at 31 March 2021, we are informed that there are four (4) applications for renewal of ML, and three (3) applications for renewal of MC.

(a) We note that some Tenements were renewed out of the stipulated time under both the Mining Ordinance (Cap. 83) and Minerals Ordinance 2004. Three (3) applications for renewal of ML were made after the expiry date, namely Ex-ML 93, Ex-ML 129 and Ex-ML 132, whilst an additional three (3) applications for renewal of ML/MC (i.e. ML101, MC No. 1D/2/1987(B) and MC No. 1D/3/1987) were made less than 12 months prior to its respective expiry dates.

- i. As the abovementioned renewal applications were made prior to the enforcement of the Minerals Ordinance on 1st July 2010, it would be most likely that such applications need only comply with the requirements of section 21 of the Mining Ordinance, i.e. that application to renew ML not made at least 12 months before its expiration date may be considered, but the relevant authority is not bound to do so.
- ii. Even if the Minerals Ordinance were to apply, according to section 48(3), an application for renewal of a mining lease shall be made to the Authority in the prescribed form at least 12 months prior to the expiry of the mining lease. However, section 48(10) of the Minerals Ordinance states that where an application for renewal of an ML is made less than 12 months prior to the expiry of the lease, the Authority may approve the application if it satisfies the conditions specified in section 48(5) of the Minerals Ordinance (see Paragraph 1.2.2 above) but shall impose on the lessee, upon renewal of the lease a late filing fee of such amount as may be prescribed.
- iii. In the meantime, there is no right and/or interest arising out of such expired tenements nor the renewal applications thereof pending their determination.

(b) On the other hand, from the documents provided, it appears that there is one (1) application for renewal of MC (MC No. KD/01/1994) that was made at least 12 months before its expiry, which status is currently still pending. Given that this MC was initially granted under the Mining Ordinance and a renewal was sought under the subsequent Minerals Ordinance, we were requested to consider the current status of the renewal application in detail, and in doing so we provide the following:

- i. Section 48(9) of the Minerals Ordinance provides that *“If an application for renewal of a mining lease is made to the Director— (a) at least twelve months prior to the expiry of the lease; and (b) the term of the lease would, but for this subsection, expire, the lease shall continue in force in respect of the land to which the application relates until the application is determined.”* However, it is noted that this particular provision refers only to mining leases. Whether or not the application for renewal of MC No. KD/01/1994 can be said to benefit from section 48(9) of the Minerals Ordinance is discussed below.
- ii. Some basic facts regarding MC No. KD/01/1994:
 - a. by a letter dated the 3rd January 1990, the Kementerian Perancangan Sumber informed Gladioli Enterprises Sdn. Bhd. that *“their application for a Mining Certificate to be followed by a Mining Lease”* for a period of 20 years to mine antimony, gold and silver in the stated areas has been approved by the State Government;
 - b. Following the approval, MC No. KD/01/1994 dated 27th October 1994 was issued under the Mining Ordinance;
 - c. Prima facie, it appears that MC No. KD/01/1994 had expired on 26 October 2014;
 - d. An application for renewal was made by Gladioli Enterprises (2011) Sdn. Bhd. (“Gladioli (2011)”), dated the 26th February 2012 over an area of 3,201.86 ha, whereby the acreage was later amended by application for renewal dated 17th October 2013 to approximately 5,528.59 ha. Both renewal applications were made after the Mining Ordinance has been repealed and when the Minerals Ordinance has come into force.
 - e. A request to subrogate/transfer the application for renewal from Gladioli (2011) to Gladioli Enterprises was made via letter dated 8 October 2020;
- iii. This Mining Certificate dated 27th October 1994 was issued under the Mining Ordinance. The Mining Ordinance was then repealed by the Minerals Ordinance. By virtue of section 106 of the Minerals Ordinance, every mining lease/ mining certificate subsisting at the commencement of the Minerals Ordinance (i.e. July 2010) continued to be in force under the Mining Ordinance until their expiration. On the other hand, section 166(4) of the Minerals Ordinance provides that such licence, permit, right, privilege or other authority lawfully given under the repealed Ordinance ***“shall continue in force and be deemed to have been issued under this Ordinance”***.
- iv. We are more inclined to conclude that by virtue of sections 106 and 166(4) of the Minerals Ordinance, after the original expiry date of the mining leases/ mining certificates issued under the Mining Ordinance and provided there is a proper application for the renewal thereof that has been filed, they are deemed to have been issued under the Minerals Ordinance and therefore, the provisions of the Minerals Ordinance should thereafter become applicable. **Therefore, in relation to any application for renewal, it may be interpreted that the Minerals Ordinance should be applicable.**
- v. Under section 10(7) of the now repealed Mining Ordinance, the holder of a mining certificate was conferred the same rights and privileges and made subject to the same covenants, conditions, agreements, obligations, liabilities and other provisions of the Mining Ordinance as a mining lease for the same purposes under the Mining Ordinance. Further, the holder of a mining certificate may, pursuant to section 12 of the Mining Ordinance be deemed to have acquired a right to claim the issue of a mining lease to him in respect of the land for which he has applied.
- vi. The Minerals Ordinance does not contain provisions equivalent to sections 10(7) and 12 of the Mining Ordinance. By virtue of section 11 of the Interpretation Ordinance and the case of **Semenyih Jaya Sdn. Bhd. v Pentadbir Tanah Daerah Hulu Langat & Another Case [2017] 4 MLRA 554**, we are of the view that the rights under sections 10(7) and 12 of the repealed Mining Ordinance are not invalidated by the repeal of the Mining Ordinance.

- a. Section 11 of the Interpretation Ordinance states that, “(1) *The repeal of any written law shall not:- (c) affect any right, power, obligation, restriction or liability acquired, accrued, imposed or incurred under any written law so repealed.*
 - b. Further, the case of **Semenyih Jaya Sdn. Bhd. v Pentadbir Tanah Daerah Hulu Langat & Another Case [2017] 4 MLRA 554** decided that an act of Parliament is not calculated to have a retrospective operation unless it evinces a paradoxical intention in the express and explicit terms or in a language such that it demands such a construction. This principal is equally applicable to an amendment to existing statute.
- vii. As MC No. KD/01/1994 was issued under the Mining Ordinance, on the basis of section 10(7) of the Mining Ordinance, it can be strongly argued that MC No. KD/01/1994 had the same rights and privileges as a mining lease and therefore would be entitled to apply for a renewal thereof.
- viii. So long as there is an application for renewal of MC No. KD/01/1994 (with its rights as a mining lease) filed at least twelve months prior to the expiry of the period approved for the mining lease and such application has been filed after the Minerals Ordinance has come into force, it can be strongly argued that pursuant to section 48(9) Minerals Ordinance, MC No. KD/01/1994 (which had rights as a mining lease) should continue in force in respect of the land to which the application for renewal relates until the application is determined. However, the areas which were not in the original area under MC/KD/01/1994, in our opinion, does not relate to an application for renewal.
 - a. In this case the application for renewal includes areas within and outside the original area under MC/KD/01/1994.
 - b. It is to be noted that the application for renewal dated the 26th February 2012 was for an area of 3,201.86 ha, whereby 1,694.86 ha is said to be the area under MC/KD/01/1994, while the remaining 1507 ha being applied for relates to an expired EPL and an additional area.
 - c. The acreage was later amended by an application for renewal dated 17th October 2013, to approximately 5,528.59 ha, whereby 3,529.5848 ha is said to be the area under MC/KD/01/1994, while the remaining 1999 ha being applied for relates to an expired EPL, an expired GPL and an additional area. We are informed that the amendment of the acreage was on the basis that upon review carried out by a survey firm that was engaged by Gladioli Companies, using modern GIS/CAD software it was discovered that the total area of MC/KD/01/1994 is 3,529.5848 ha. However, it remains the fact that there has been no concurrence or comment thus far from the relevant authorities that the area of MC/KD/01/1994 is actually 3,529.5848 ha.
 - d. Although section 48(9) of the Minerals Ordinance provides that “the lease shall continue in force” and “in respect of the land” “to which the application relates”, we are of the view that the provisions in section 48(9) cannot be read in isolation and without reference to section 48(2) of the Minerals Ordinance which prescribes that a mining lease may be renewed in whole or in part of the original mining certificate/ mining lease. **Therefore, a renewal application must be in relation to the original area under the mining certificate / mining lease or part thereof.** By the word “renewal”, it must also relate to something already in existence.
 - e. Thus, it is our considered opinion that the rights under section 48(9) of the Minerals Ordinance would only cover the areas previously under the existing MC/KD/01/1994 or part thereof which is covered in the application for renewal.
- ix. However, we are unable to conclusively state that the renewal applications lodged conformed with the requirements of section 48(9) of the Minerals Ordinance for the reason that the renewal applications were not originally made by the tenement holder, Gladioli Enterprises, but Gladioli (2011) which has

now been dissolved; as well as that the renewal applications included areas other than that under MC/KD/01/1994. However, bearing in mind that the application for renewal of MC/KD/01/1994 (based on its rights as a mining lease) was done by a company which had exactly the same shareholders as the shareholders of Gladioli Enterprises, and thereafter having applied to subrogate/transfer the renewal application back to the original tenement holder in October 2020, there are grounds to support that it had intended to be a renewal application of MC/KD/01/1994 with an application for new areas.

- x. Another point to note is that based on the documents provided to us, it appears that the payment for rental for the year 2020 over the area of 1,694.86 hectares under MC/KD/01/1994 was accepted by the Land & Survey Department in September 2020; however, we are also informed by Gladioli Enterprises that previously, the payment for rents for the years 2015-2019 had not been accepted. Gladioli Enterprises has further indicated as at 15 December 2020 that the annual reports up to Year 2019 had also been submitted in relation to this Mining Certificate. Although the rent is said to have been paid for the year 2020 and that the annual report has been submitted in relation to this Mining Certificate, it has been stated in Malaysia that the concept of equitable estoppel is quite inappropriate in the field of public law. Promissory estoppel or equitable estoppel cannot be used against the State or local authority in carrying out its statutory duties.⁸
- xi. So far there appears to be no correspondence or any decision from the Authorities yet pertaining to the application for renewal and /or the amendments thereto and/or the subrogation/ transfer of the application for renewal. In any case, any application for renewal of a mining certificate/ mining lease would require a decision from the authorities, may it be an approval or refusal – section 48(6) Minerals Ordinance requires notification of the decision of the authorities to be in writing.. Until a decision is made, the intention of section 48(9) of the Minerals Ordinance is to enable mining activities to continue on a pre-existing licence, in this case MC/KD/01/1994, until a determination of the renewal is made.
- xii. For avoidance of doubt, it is reiterated that the discussion in the above sub-paragraphs (i) to (xi) are specifically concerning MC/KD/01/1994 and do not apply to the renewal applications for Ex-ML 93, Ex-ML 129 and Ex-ML 132, ML101, MC No. 1D/2/1987(B) and MC No. 1D/3/1987, as these applications were made under the old Mining Ordinance, and additionally, not made within the prescribed time period (as discussed in Paragraph 2.4.2 (a) above).

2.4.3 Renewal on EPL and GPL in the Schedule A and D of the Amended and Restated ESA:

As at 31 March 2021, we are informed that there are:

- i. Four (4) applications for renewal of EPL made after the expiry date, namely EPL 337 (Lot 5A and Lot 5B), EPL 338 (Lot 6), EPL 340 (Lot 7) and EPL 339 (Lot 9);
- ii. Five (5) applications for renewal of EPL made four months before the expiry date, namely EPL Lot 1, EPL Lot 2, EPL Lot 3a, EPL Lot 3b, EPL Lot 4;
- iii. Two (2) applications for renewal of GPL made after the expiry date, namely GPL No. 7/1995 and GPL 39/1997; and
- iv. Four (4) applications for renewal of GPL made about one month before the expiry date, namely GPL No. 3/1992a, 3/1992b, 4/1992 and 4/1996.

(a) It is noted that of the above, there are a number of EPL and GPL renewal applications that have been made outside the time period prescribed by both the Mining Ordinance (Cap. 83) and Minerals Ordinance 2004.

⁸ Shamsudin Bin Che Mat & 11 Ors. V. Datuk Bandar Kuala Lumpur [2000] 1 LNS 185 and Government Of The State Of Negeri Sembilan V. Yap Chong Lan & Ors. & Another [1984] 1 CLJ Rep 144 (Federal Court)

(b) According to section 24 (2) of the Minerals Ordinance 2004, an application for renewal of a prospecting licence shall be made to the Director of Lands and Surveys in the prescribed form at least 6 months prior to the expiry thereof. The Mineral Ordinance is silent on the consequences arising from applying for renewal of a prospecting licence outside the stipulated time.

(c) However, it is noted that the abovementioned EPL and GPL renewal applications were made before 1st July 2010, prior to the enforcement of the Minerals Ordinance. It is thus most likely that such applications for renewal are subject instead to the provisions as stated in the Mining Ordinance, and Mining Rules (for applications on 10th March 1995 and after).

- i. According to section 48(3) of the Mining Ordinance, before the expiration of the period of any prospecting licence, the licensee wishing to extend the period of such licence shall prove to the satisfaction of the Yang di-Pertua Negeri that he has good and sufficient reason for not having completed the work of prospecting.
- ii. Additionally, an application for an extension of the period of a prospecting licence shall need to be submitted to the Superintendent not less than 6 months prior to the expiry of the term of such licence (Rule 10(1) of the Mining Rules), and such application shall state clearly the period and the particular area of land in the original licence for which the extension is sought (Rule 10(2) of the Mining Rules).
- iii. Even so, since the Mining Rules only came into force on 10th March 1995, it may be further argued that any application for renewal of a prospecting licence submitted before 10th March 1995 need only comply with the requirements of Section 48(3) of the Mining Ordinance.

(d) Therefore, based on the documents provided, there are only five (5) applications for renewal of EPL (*EPL Lot 1, EPL Lot 2, EPL Lot 3a, EPL Lot 3b, EPL Lot 4*) and only three (3) applications for renewal of GPL (*GPL No. 3/1992a, 3/1992b, 4/1992*) that have been made within the prescribed time, i.e. before 10th March 1995 and prior to its date of expiry.

(e) As at 31 March 2021, the applicants had not been advised of any decision with regard to any of the above applications. According to the Letters from the Land & Survey Department (Serian Division) dated 31 December 2018 and 25 February 2019, should the Gladioli Companies still be interested to pursue these applications, then a resubmission of the applications should be made, as the Serian Land Office no longer holds the records for a number of these applications. It should also be noted that there is no right and/or interest arising out of such expired tenements nor the renewal applications pending their determination.

2.4.4 Fresh Application of ML and MC in the Schedule A and D of the Amended and Restated ESA:

As at 31 March 2021, there is one (1) application for the issuance of an ML/MC over the area of an expired EPL (and part of an expired GPL area, (as well as an additional new area) that has been submitted in 2013 (EPL 338 (Lot 6)) and is currently pending. Referring again to section 47(3) of the Minerals Ordinance 2004, no development work or mining shall commence on the mining land unless a mining certificate has been issued. Section 10 of the Minerals Ordinance states that “No person shall prospect or mine in, upon or under any land, [etc] within the territorial limits of the State, except when authorized by a **valid mining tenement** issued in accordance with this Part and subject to the terms and conditions stipulated in it.” Hence, there is no right or interest under the new application for ML that is still pending, save that the SMMA shall notify the applicant of its decision in writing, namely whether the application is approved or refused (section 44(6) of the Minerals Ordinance).

2.4.5 Fresh Application of EPL and GPL in the Schedule A and D of the Amended and Restated ESA:

As at 31 March 2021, there are three (3) applications for new GPL and EPL (*EPL [Lot 8], EPL over expired GPL 01/2008/1D, and GPL (SB1-SB6)*) that have been submitted and are pending; there is no right and interest for new applications of EPL and GPL which are yet to be approved. Further, according to the Letters from the Land & Survey Department (Serian Division) dated 31 December 2018 and 25 February 2019, should the Gladioli Companies still be interested to pursue these applications, then a resubmission of the applications should be made, as the Serian Land Office no longer holds the records for a number of these applications.

2.4.6 Notice of Intention to Forfeit

With regard to **Mining Lease No. 1D/136/ML/2008, Mining Lease No. ML/03/2012/1D, and Mining Lease No. ML/04/2012/1D**, a Notice of Intention to Forfeit the ML has been issued by the State Minerals Management Authority, dated 5th May /June 2018, under section 58(2) of the Minerals Ordinance, for contravention of s45(1)(c) and s56 of the Minerals Ordinance. The Notices state that the respective tenement holder (namely, Priority Trading, Carino, and Gladioli Enterprises) shall make a written representation to the SMMA within 30 days from the date of service of the Notice, and that upon expiry of 30 days from the date of the Notice, an inquiry would be held to determine if the lease should be revoked [see Appendices MT-2A, MT-4A, and MT-5A].

(Section 45(1)(c) of the Minerals Ordinance states, “the lessee shall not commence any development work or mining on the land in respect of which the lease has been granted until after the approval of an environmental impact assessment, if so required, under the Natural Resources and Environment Ordinance [Cap. 84 (1958 Ed.)] or any other written law relating to environment.” On the other hand, Section 56 of the Minerals Ordinance states, “The holder of mining lease or certificate shall, within fourteen days before the commencement of any development work on the land which is the subject of the mining lease or certificate, submit a written notice as may be prescribed of such commencement and the date thereof to the Director, the Superintendent and the Chief Inspector.”)

In relation to Mining Leases No. 1D/136/ML/2008 and ML/03/2012/1D, the Gladioli Companies have informed us that no written representation was submitted.

In relation to Mining Lease No. ML/04/2012/1D, Gladioli Enterprises has appealed to SMMA by letter dated 13 June 2018 to retain Arong Bakit, Area B of 45.30 ha on the ground that tremendous efforts made by company in mining calcium rocks since 1995. As to whether or not Gladioli Enterprises' reply was made within the prescribed 30 days, it is noted that the SMMA's Notice itself states two different dates (5 May 2018 and 5 June 2018). In any case, we note from the documents provided that Gladioli Enterprises had only received the Notice on 8 June 2018. We are informed that as 31 March 2021, the Gladioli Companies have not heard any further from the SMMA.

In relation to **Mining Lease No. ML/01/2012/1D**, a Notice of Intention to Forfeit the ML has been issued by the SMMA, dated 5th June 2018, under section 58(2) of the Minerals Ordinance, for contravention of s57(1) of the Minerals Ordinance. (Section 57(1) of the Minerals Ordinance states that, “the holder of a mining lease or certificate shall commence development work within nine months from the date of registration of the lease or certificate: Provided that where the lease or certificate is subject to a condition or requirement under this Ordinance prohibiting the commencement of development work until such condition or requirement is satisfied, the holder shall commence development work within nine months of the date on which such condition or requirement has been satisfied.”)

The Notice states that Bukit Lintang shall make a written representation to the SMMA within 30 days from the date of service of the Notice, and that upon expiry of 30 days from the date of the Notice, an inquiry would be held to determine if the lease should be revoked. The Gladioli Companies have informed us that no written representation was submitted.

On the other hand, we have also been provided with a copy of the letter dated 23rd August 2018, issued by Gladioli Enterprises to SMMA. In this letter, Gladioli Enterprises proposes that instead of requiring a complete forfeiture of the four Mining Leases (ML/01/2012/1D, ML 1D/136/ML/2008, ML/03/2012/1D, and ML/04/2012/1D), the lands within the DKNP be excised out from the Mining Leases, so that new smaller Mining Leases be granted on the areas external to the DKNP.

Subsequently, a second letter dated 5th August 2020 was issued by Gladioli Enterprises to the Land & Survey Department to follow up on the earlier letter dated 23rd August 2018.

Section 58 of the Minerals Ordinance state that upon the expiry of the period of thirty days wherein the tenement holder is provided with an opportunity to make written representations, and after considering any representation made by the holder of the mining lease/mining certificate and after holding an inquiry, the SMMA shall decide:

- Whether to proceed with the forfeiture;

- Whether to take action under section 59; or
- Whether to take no further action.

The tenement holder shall be given written notice of the SMMA's decision.

Furthermore, under section 60 of the Minerals Ordinance, the Registrar shall, as soon as practicable after the making of an order of forfeiture under section 58 with respect to any mining lease or certificate, publish or cause to be published in the Gazette a notification of forfeiture in such form as may be prescribed and any such forfeiture shall take effect upon such publication. The Registrar shall, as soon as practicable after such notification is published, enter or cause to be entered a memorial thereof in the register.

We have been informed by Gladioli Companies that as of 31 March 2021, there was no update/reply/further notices received by the licence holders from the authorities in relation to this matter of the four Notices of Intention to Forfeit. Similarly, it would appear that the authority has not indicated that this matter has been resolved, or whether they are satisfied with the representations/appeals submitted by the tenement holders. Further, as at 31 March 2021, our inspection of the Registry did not reveal that any Memorial of Forfeiture has been registered in relation to any of these 4 ML.

The Gladioli Companies have also informed us that in relation to breach/forfeiture, as of 31 March 2021, no notice/letters have been received by the licensees for the remaining 7 valid tenements.

2.4.7 Issue on the Environmental Impact Assessment (EIA) Report

(a) We are informed by the Gladioli Companies that there is no Environmental Impact Assessment ("EIA") report available for viewing.

(b) It is to be noted that under Article 3 of the Natural Resources and Environment (Prescribed Activities) Order 1994, an EIA report would be required where the mining or prospecting activities of Gladioli Companies is likely to affect the landscape of the mining area so as to require rehabilitation thereof upon the cessation of the mining. An EIA report should therefore have been completed and submitted to the relevant authorities to facilitate the commencement of any prospecting or mining development/operations/activities within Section 57(1) of the Minerals Ordinance and in compliance Article 3. .

(c) Further, according to ML No. 01/2013/1D, the Lessee of the tenement is required to "carry out an EIA Report and to obtain the necessary approval from the NREB prior to the commencement of any mining activity". As mining works are said to have not been commenced, there appears not be a breach of this condition at present time. However, it is noted that generally, it is a breach of section 57(1) of the Minerals Ordinance in the event the holder of a mining lease or certificate has not commenced development work within nine months from the date of registration of the lease or certificate and may result in forfeiture under Section 58(1) of the Minerals Ordinance if there is such contravention. In any case, we are instructed that as at 31 March 2021, no notice/letters in relation to breach/forfeiture has been received by the licensee for ML No. 01/2013/1D.

(d) Moreover, where MC No. 1D/2/1987 (A) is concerned, based on the documents provided, it appears to be a condition to the issuance of the tenement that an EIA report on the approved area be prepared. Therefore, it would seem that this tenement, although approved, will not be issued until such EIA report is prepared. It is to be noted that the granting of a mining lease or certificate under the Minerals Ordinance over State land shall take effect only upon the registration of the mining lease or certificate.

2.4.8 Issue on the Native Customary Rights ("NCR")

(a) We are informed that no actions have been taken to compensate the NCR claimants whose names are noted in the schedule to ML/138/1D and ML/05/2012/1D.

- i. It is an express condition in the MLs that the Lessee of the tenement must before occupying such land pay to the rightful NCR claimants of such customary right compensation at a rate mutually agreed between parties.
- ii. Reading section 72(6) of the Minerals Ordinance in tandem with section 58 Minerals Ordinance, it is to be noted that failure to compensate the NCR claimants after they have made a claim would tantamount to a breach of the terms and conditions specified in the lease or certificate and the SMMA may forfeit the mining land in respect of which a mining lease or certificate has been granted if it is

satisfied that the holder thereof has contravened any of the provisions of the Minerals Ordinance. The effect of forfeiture according to section 61 of the Minerals Ordinance, includes, amongst others, that the mining land in respect of which the ML has been granted shall revert to and vest in the Government as State land, freed and discharged from any title or interest subsisting or capable of arising immediately before the forfeiture took effect.

- iii. Even if one attempts to argue that these MLs were issued before the Minerals Ordinance came into effect, according to Section 18 of the Mining Ordinance, breach of, or default in the observance of any of the conditions of a mining lease shall render the lease liable to forfeiture.
- iv. Furthermore, where the tenement holder fails to compensate such NCR claimants as required by the Minerals Ordinance and express condition of the ML yet occupies the area, the tenement holder may also be at risk of contravening section 10(2) of the Sarawak Land Code, whereby,

“No person whether a native or non-native may occupy any Native Customary Land ... save under and in accordance with the conditions applicable thereto by virtue of this or any other written law, and any person in occupation thereof shall be deemed to be in unlawful occupation of State land and section 209 shall apply thereto.”

Where it is established that a person is in unlawful occupation of the State land area (or clears, ploughs, digs, encloses or cultivates any such land or part thereof), section 209 of the Sarawak Land Code states that the person shall be guilty of an offence, for which the penalty is, in the case of a first offence, a fine of one thousand ringgit and, for a second or subsequent offence, imprisonment for two years and a fine of five thousand ringgit.

- v. As at 31 March 2021, Gladioli Companies have confirmed that there are no updates to the original schedule of claimants nor on the claims/disputes arising with respect to ML 138/1D and ML/05/2012/1D.

2.4.9 Rent

(a) We have been provided with a scanned copy of the receipts for the following payments:

- (i) mining rent for the year 2017,
- (ii) mining rent for the year 2018,
- (iii) mining rent for the years 2019 and 2020,
- (iv) mining surcharge for year 2019;
- (iv) mining surcharge for year 2020; and
- (v) mining rent for the year 2021 in relation to ML No. 01/2013/1D.

(b) Based on the copies of the receipts listed above, it would appear that the mining rents and applicable surcharge have been paid for the 11 granted and valid MLs. Further, we are instructed that as of 31 March 2021, all the rents due up to date have been paid in relation to the 11 Tenements (up to year 2021 for ML No. 01/2013/1D, and up to year 2020 for the other 10 MLs) and that as of 31 March 2021, Gladioli Companies has not received any letters/notices issued by the relevant authorities in relation to rents payable for the 11 Tenements..

Note: see also Paragraph 2.4.2(b)(x) above in relation to the rent for MC/KD/01/1994. Although the rent is said to have been paid for the year 2020 in relation to 1,694.86 ha of MC/KD/01/1994, the payment for rents for the years 2015-2019 had not been accepted. Further, we are informed that there has not been any payment of surcharges in this respect. In any case, as of 12 April 2021, the licence holder has not received any notice/letter from the relevant authorities in relation to rent on MC/KD/01/1994, nor request by the relevant authorities for payment of surcharges to be made.

2.4.10 Areas Excluded/Excised by Supplementary Agreement

We have been provided with a copy of the Supplemental Agreement between Gladioli Companies, BML, BLL), John bin Jais @ Jae and NBG dated 17 November 2016 (“2016 Supplemental Agreement”), wherein certain areas are said to have been “excised” or “excluded” from a number of tenements, namely:

- (i) ML 1D/136/ML/2008;
- (ii) ML No. 1D/137/ML/2008;
- (iii) MC KD/1/1994;
- (iv) ML 142/1D;
- (v) ML 01/2013/1D; and
- (vi) ML/03/2012/1D.

Clause 5 of the 2016 Supplemental Agreement further provides that the area specified in the Schedule of the 2016 Supplemental Agreement ("Excluded Area") shall be excluded from the operation of the Amended and Restated ESA and accordingly the words and expression "Tenements" and "Exploration Area" whenever appearing in the Amended and Restated ESA shall exclude the Excluded Area, and BML and BLL shall no longer have any rights or interest whatsoever in the Excluded Area; Provided always that:

- a) the Excluded Area shall (subject to the approvals of all relevant authorities being obtained) be used only for the development of affordable housing;
- b) the development of such affordable housing shall not prejudice the rights of BML and BLL in the remaining Tenements and Exploration Area;
- c) on a best efforts basis, Gladioli Enterprise shall procure that any agreements entered into in connection with the development of, or the purchase and sale of, affordable housing shall include in a form and substance acceptable to BLL:
 - (i) negative covenants in form and substance acceptable to BLL to not raise objections to any mining and related activities undertaken on lands other than the Excluded Area; and
 - (ii) a waiver of rights to bring claims against any mining and related activities undertaken on lands other than the Excluded Area.

We are instructed that the Gladioli Companies had been informed that the areas stated in the Schedule of the 2016 Supplemental Agreement under the heading "Areas Excised by the government for Kpg. Tasik Biru Bau Squatters Resettlement Scheme, Bau", i.e. 10.34 ha of ML 142/1D and 5.16 ha of ML/03/2012/1D ("Excised Areas") which are apparently set out in a map issued by the Land and Surveys Department have been excised out for the Kampung Tasik Biru Baru Resettlement Scheme. We understand that there was no official notification to the tenement holders regarding the excised areas.

We are further informed that there was a plan to further develop those areas stated in the Schedule of the 2016 Supplemental Agreement under the heading "Excluded Areas for the development of affordable housing, Bau" ("Excluded Areas"). According to this Schedule of the 2016 Supplemental Agreement, the areas to be excluded and used for the development of affordable housing are as follows:

- a) 31.79 ha of ML 1D/136/ML/2008
- b) 0.66 ha of ML/1D/137/ML/2008
- c) 6.45 ha of MC/KD/1/1994
- d) 28.06 ha of ML 142/1D
- e) 92.37 ha of ML 01/2013/1D

However, we are informed by Gladioli Companies that this development proposal has never been officially submitted to the state government.

In any case, we have on 1st October 2020, written to the Land and Survey Department to seek their confirmation on the size of the areas under the eleven (11) valid mining tenements. According to the officer in charge, the Land and Survey Department are unable to provide any such written confirmation. However, as at 31 March 2021, we observe through physical inspection of the Register at the Land and Survey Department that there has been no changes to the area of each of the 11 valid Tenements.

In the event the Excised Areas have indeed been excised out from the relevant tenements, we opine that the conditions above in Clause 5 of the 2016 Supplemental Agreement may not be enforceable as Gladioli Enterprise may not have control over the activities that are to be carried out on such Excised Areas. Similarly, if the proposed low cost housing project plan on the Excluded Areas does materialise, Gladioli Enterprise may also not be practically and/or legally able to procure the agreement on the negative covenants and waiver

of rights as required under Clause 5 of the 2016 Supplemental Agreement.

2.4.11 Dissolution of Gladioli (2011).

We have seen from the company search on Gladioli Enterprises (2011) Sdn. Bhd. that the company has been dissolved. On the other hand, we note that there were some applications made under Gladioli (2011) (i.e. renewal for MC No. KD/01/1994 and new application for ML/MC covering the area under EPL 338, part of GPL 4/1996, and for an additional area “M” of 260 Ha) (“the GE2011 Applications”). On 8 October 2020, Gladioli Enterprises wrote to the Chief Minister of Sarawak in his capacity as the Minister of Urban Development & Natural Resources for approval to subrogate or transfer the GE2011 Applications to be Gladioli Enterprises Sdn Bhd, and that the renewal of the application be, if approved, under 4 separate new MCs/MLs, namely:

- i. First ML/MC: Renewal of the original Pejiru Sector of MC KD/1/1994 (Area A) with a total area of 1,115.92 ha,
- ii. Second ML/MC: Renewal of the original Sirenggok/Jugan Sector of MC KD/1/1994 (Area B) and annexation of 3 parcels of land totalling 75 ha to cover the extension of nearby mineralised areas in close proximity to the Bukit Sarin deposit. The total area of this third ML/MC under application is 1,310.38 ha, and
- iii. Third ML/MC: Renewal of the original Jambusan Sector of MC KD/1/1994 (Area C) with a total area of 1,103.27 ha,
- iv. Fourth ML/MC: Pejiru Extension Sector (Area D). Conversion of renewals of EPL 338 (Lot 6) and part of the original area of GPL 4/1996 to MC/ML with adjoining “Area M” totalling 1,999.01 ha.

As at 31 March 2021, Gladioli Enterprises had received no response to this request.

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Table 1 - Schedule A of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions/Remarks
1.	Bukit Lintang Area : 40.5 Ha Minerals : Gold Date of Issue: 12/06/2005 Registration Date: 15/10/2008 Expiry Date: 11/06/2025	ML 102	1D/134/ML/2008	Registered on 15th October 2008 (based on our physical inspection of the original copy of this tenement at Gladioli Companies' office in 2018).	1. Should the lessee during the currency of the lease wish to occupy any areas over which native customary rights exist, it shall before occupying such land pay to the rightful claimants of such customary rights compensation at a rate agreeable between the parties concerned. 2. Any dispute which may arise over the extinguishment of native customary rights as aforesaid shall be referred to the Director of Lands and Surveys whose decision shall be final. 3. The lessee shall observe and comply with the Natural Resources and Environmental Ordinance, 1993 (Prescribed Activities) Order, 1994. Note: As at 31 March 2021, the copy of this tenement in the Register that was inspected at the Land and Survey Department (Enforcement Branch, Kuching Division) does not state its registration date. See paragraph 2.4.1(a)(vii) for details.
2	Priority Trading Area : 139.6 Ha Minerals : Antimony / Silver/ Gold/ Calcium Date of Issue: 19/01/2003 Expiry Date : 18/01/2023	ML 108	ML 136	Replaced by Mining Lease No. 1D/136/ML/2008 - Registered on 7th November 2008 (based on our physical inspection of the original copy of this tenement at Gladioli Companies' office in 2018. However, the copy of this tenement in the Register that was inspected at the Land and Survey states that its registration date is 15 October 2008.)	Special conditions as per Bukit Lintang (Ex-ML 102) 1 to 3 inclusive above, together with: 4. The lessee shall pay the government of Sarawak a royalty at the rate of 5% ad valorem of the total volume of Antimony, silver and calcium produced by the lessee within 1 month of the minerals being obtained or produced. Note: According to the 2016 Supplemental Agreement (dated 17 Nov 2016), 31.79 ha is "excluded" out from this Tenement (refer to Paragraph 2.4.10 of this Report for further details). Note: As at 31 March 2021, the copy of this tenement in the Register that was inspected at the Land and Survey Department (Enforcement Branch, Kuching Division) states that its registration date is 15 October 2008 . See paragraph 2.4.1(a)(vii) for details. Note: Refer also to Paragraph 2.4.6 in relation to the Notice of Intention to Forfeit.

TABLE 1 (CONT'D) - Schedule A of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions/Remarks
3.	Bukit Lintang Area: 12.735 Ha Minerals : Antimony/ Gold Date of Issue 19/01/2005 Expiry Date 18/01/2025	ML 109	ML 141	Replaced by Mining Lease No. ML/01/2012/1D - Registered on 22nd June 2012	Non-transferable 1. This lease is non-transferable except in accordance with the provisions of section 49 of the Ordinance. 2. Where the lessee is a company, the transfer of controlling shares in the company shall be deemed to be a transfer of the lease. 3. No dealing affecting this lease shall be effected without prior consent of the State Minerals Management Authority. Compliance The lessee shall at all times comply with all the provisions of the Ordinance in regard to the exercise of the rights and privileges thereby conferred and all directors or orders issued by the Director of Lands and Surveys or the Chief Inspector in the carrying out of the mining activities under the lease. Mere Grant No contract shall be implied or be deemed to have been formed between the Government and the lessee by virtue of the lease. Note: Refer also to Paragraph 2.4.6 in relation to the Notice of Intention to Forfeit.
4.	Carino Area: 49.384 Ha Minerals : Gold Date of Issue 05/03/2004 Expiry Date 04/03/2024	ML 115	ML 135	Replaced by Mining Lease No. ML/03/2012/1D - Registered on 22nd June 2012	Non-transferable – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Compliance – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Mere Grant – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Note: According to the 2016 Supplemental Agreement (dated 17 Nov 2016), 5.16 ha is “excised” out from this Tenement (refer to Paragraph 2.4.10 of this Report for further details). Note: Refer also to Paragraph 2.4.6 in relation to the Notice of Intention to Forfeit.

TABLE 1 (CONT'D) - Schedule A of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions
5.	Gladioli Enterprise Area: 50.679Ha Minerals : Antimony/ Gold/Silver/Calcium Date of Issue: 10/01/2005 Expiry Date : 09/01/2025	ML 117 (A) & (B)	ML 139	Replaced by Mining Lease No. ML/04/2012/1D - Registered on 22 nd June 2012	Non-transferable – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Compliance – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Mere Grant – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). <u>Note:</u> Refer also to Paragraph 2.4.6 in relation to the Notice of Intention to Forfeit.
6.	Gladioli Enterprise Area: 5.281 Ha Minerals: Antimony/ Silver/Gold/ Calcium Expiry Date : 09/01/2025	ML 119	ML 140	Replaced by Mining Lease No. ML/05/2012/1D - Registered on 22 nd June 2012	Non-transferable – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Compliance – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Mere Grant – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). <u>Note:</u> A Schedule of Claimant of Customary Rights Land at Jugan, Bau is annexed together with the lease. We are instructed that no action has been taken hitherto to compensate those claimants in the ML. However, during the normal course of exploration, the company had provided road/crop compensation as per the government's compensation schedule, to those land owners whose lands have been affected by the construction of access roads for drilling purposes

TABLE 1 (CONT'D) - Schedule A of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions
7.	Bukit Lintang Area: 38.40 Ha Minerals : Antimony/Gold Date of Issue: 20/11/2005 Expiry Date: 19/11/2025	ML 121	ML 142	Replaced by Mining Lease No. ML142/1D - Registered on 23 rd November 2010 (based on our physical inspection of the original copy of this tenement at Gladioli Companies' office in 2018).	1. The lessee shall pay the government of Sarawak a royalty at the rate of 5% ad valorem of the total volume of Antimony produced by the lessee within 1 month of the minerals being obtained or produced. 2. Should the lessee during the currency of this lease wish to occupy any areas over which native customary rights exist, it shall before occupying such land pay to the rightful claimants of such customary rights compensation at a rate agreeable between the parties concerned. 3. Any dispute which may arise over the extinguishment of native customary rights as aforesaid shall be referred to the Director of Lands and Surveys whose decision shall be final. 4. The lessee shall observe and comply with the Natural Resources and Environmental Ordinance, 1993 (Prescribed Activities) Order, 1994. Note: According to the 2016 Supplemental Agreement (dated 17 Nov 2016), 28.06 ha of this Tenement is “excluded” out, while the remaining 10.34 ha is “excised” out (refer to Paragraph 2.4.10 of this Report for further details). Note: As at 31 March 2021, the copy of this tenement in the Register that was inspected at the Land and Survey Department (Enforcement Branch, Kuching Division) appears to not have been signed and does not state its registration date. See paragraph 2.4.1(a)(vii) for details.
8.	Bukit Lintang Area: 49.034 Ha Minerals : Antimony/ Gold Date of Issue: 23/06/2004 Expiry Date: 22/06/2024	ML 122	ML 143	Replaced by Mining Lease ML/02/2012/1D Registered on 22 nd June 2012	Non-transferable – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Compliance – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109). Mere Grant – details as per outlined for Bukit Lintang (ML 141, Ex-ML 109).

TABLE 1 (CONT'D) - Schedule A of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions
9.	Priority Trading Area: 2.60 Ha Minerals : Antimony/Gold Date of Issue: 23/06/2004 Expiry Date: 22/06/2024	ML 123	1D/137/ML/2008	Registered on 15 th October 2008	Special Conditions 1- 4 inclusive, as per Bukit Lintang (ML 142 Ex-ML121). Note: According to the 2016 Supplemental Agreement (dated 17 Nov 2016), 0.66 ha is “excised” out from this Tenement (refer to Paragraph 2.4.10 of this Report for further details).
10.	Buroi Mining Area: 409.5 HA Minerals: Antimony / Silver, / Calcium / Gold Date of Issue: 20/11/2005 Expiry Date: 19/11/2025	ML 125	ML 138	Replaced by Mining Lease ML/138/1D Registered on 6 th October 2009.	The lessee shall pay the government of Sarawak a royalty at the rate of 5% ad valorem of the total volume of antimony, silver and calcium produced by the lessee within 1 month of the minerals being obtained or produced. Special Conditions 2 - 4 inclusive, as per Bukit Lintang (ML 142 Ex-ML121). A Schedule of Claimants of Native Customary Rights Land at Sungai Buroi, Bau is annexed together with the lease. We are informed by Gladioli Companies that no action has been taken hitherto to compensate those claimants in the ML. However, during the normal course of exploration, the company had provided road/crop compensation as per the government’s compensation schedule to those land owners whose lands have been affected by the construction of access roads for drilling purposes.

Table 2 - Schedule D of the Amended and Restated ESA

No.	Company & Particulars	Ex-ML No.	New ML No.	Current Status & Changes	Special Conditions
11.	Gladioli Enterprises <i>Area: 380.2 Ha</i> <i>Minerals: Gold/ Silver, / Calcium /Base Metals</i> <i>Date of Issue: 23/01/2013</i> <i>Expiry Date: 22/01/2033</i>	MC No. 1D/1/1987 <i>(though we are not able to verify this, as the copies of this licence examined do not mention this.)</i>	ML No. 01/2013/1D	Replaced by Mining Lease ML/01/2013/1D Registered on 28 th January 2013.	1. This lease is non-transferable except in accordance with the provisions of section 49 of the Minerals Ordinance. 2. Where the lessee is a company, the transfer of controlling shares in the company shall be deemed to be a transfer of the lease. 3. No dealing affecting this lease shall be effected without prior consent of the State Minerals Management Authority. 4. The Lessee is required to carry out an Environmental Impact Assessment Report and to obtain the necessary approval from the Natural Resources and Environment Board ("NREB") and approval of a Mine Rehabilitation Plan by the SMMA prior to the commencement of any mining activity. We are informed that Gladioli Enterprises has conducted environmental baseline studies throughout ML 05/2012/1D (ML140) and surrounding tenements (ML 01/2013/1D, MC KD/01/1994, ML 03/2012/1D (ML135) and ML 1D/134/ML/2008 (ML 134)), including preliminary environmental impact assessment report compilation and submission of a Mine Rehabilitation Plan (MRP) for the proposed Jugan Gold Mining Project in ML/05/2012/1D (ML 140) and ML 01/2013/1D to SMMA for approval. Although it appears that the MRP was approved by the State Minerals Management Authority on 9 July 2013, we are further informed by Gladioli Companies that no EIA study has been undertaken since the issuance of ML No. 01/2013/1D in 2013. According to the 2016 Supplemental Agreement dated (17 Nov 2016), 92.37 ha is excised out from this Tenement (refer to Paragraph 2.4.10 of this Report for further details).

Table 3 - Schedule A of the Amended and Restated ESA

No.	Company	Certificate No	Findings
1.	Gladioli Enterprises <i>Area: 1,694.86 Ha</i> <i>Minerals: Antimony/Silver/Gold</i> <i>Expiry Date 26/10/2014</i>	MC No. KD/01/1994	This MC was due to expire on 26th October 2014. A request for renewal was made via letter dated 26th February 2012, addressed to the Minister with Special Functions in the Chief Minister's Office. This letter appears to have been received by the Land and Survey Department on 12th March 2012, and the Ministry of Resource Planning and Environment on 13th March 2012. Subsequently Gladioli Group forwarded a letter dated 17th October 2013 addressed to the State Minerals Management Authority, whereby Gladioli (2011) states that upon review, the total area of MC KD/1/1994 is found to be 3,529.5848 ha. Gladioli (2011) therefore applied for the renewal of the entire area, as 3 separate ML/MC. Please refer to Paragraph 2.4.2(b) of this Report for a detailed discussion on the status of this MC.

			According to the 2016 Supplemental Agreement (dated 17 Nov 2016), 6.45 ha is “excluded” out from this Tenement (refer to Paragraph 2.4.10 of this Report for further details). Further, while the applicant for this renewal was initially Gladioli 2011 (which has been dissolved), and not Gladioli Enterprises, Gladioli Enterprises has written in to the Minister of Urban Development & Natural Resources to “transfer” or subrogate this application to be under Gladioli Enterprises (refer to Paragraph 2.4.11 of this Report for further details). We are instructed that as at 31 March 2021, there are no further updates from the authorities in relation to this application.

Table 4 - Schedule D of the Amended and Restated ESA

No.	Company	Certificate No	Findings
1.	Gunong Wang Mining Area: 48.16 Ha Minerals: Antimony/Gold Expiry Date: 19/10/1999 Application for Renewal: 31/10/1998	ML 101	We were provided with a scanned copy of the letter of application for renewal of ML 101 dated 31st October 1998, Reference No. GWM/ML(CM)/98/1, addressed to the Chief Minister of Sarawak. On even date, same application letter was sent to Ministry of Resource Planning (Reference No. GWM/ML(MRP)/98/2) whereas the application form was sent to Land and Survey Department, Kuching Division (Reference No. GWM/ML(LS)/98/3). We were also provided with the reply from Land and Survey Department, Kuching dated 9th February 1999 (Reference No. 2/CD/E(A)/MIN/1/99) addressed to Gunong Wang, referring to Gunong Wang's letter dated 31/10/1998 (Reference No. GW/ML(LS)/98/3) as to the application for renewal of ML 101 and that Gunong Wang will be notified of the decision in due course. We are instructed that as at 31 March 2021, there are no further updates in relation to this application.

Table 5 - Schedule D of the Amended and Restated ESA

No.	Company/Applicant	Certificate No	Findings
1.	Gladioli Enterprises Area: 194 Ha Minerals: Gold/Silver/Base Metals. Expiry Date: Not specified. Application for Renewal 05/12/2007.	MC No. 1D/1/1987	We are instructed that this MC has now been replaced by ML No. 01/2013/1D and details are contained in Table 2 in this Report.
2.	Gladioli Enterprises Area: 82 Ha Minerals: Gold/Silver/ Base metals/ Calcium Expiry Date: 12/07/2008 Application for Renewal 15/03/2008	MC No. 1D/2/1987 (A)	We have been provided with a copy of a letter dated 25th May 2015 from the Land and Survey Department, Kuching [which we understand is related to this particular application. This letter states that the SMMA has approved Gladioli Enterprises' application for a ML in Gunung Pangga, Bau for an area measuring 17.85 Ha and period of 10 years from the date of issue with certain conditions, including that: a) a Mine Rehabilitation Plan be submitted to the SMMA before the ML is issued; b) an EIA report on the approved area be prepared; c) the site perimeter be measured, and matters regarding native customary rights be settled; and d) a Letter of Authority to mine be obtained from the Department of Minerals and Geosciences prior to the commencement of the mining operations; and a reference to the Department of Minerals and Geosciences be made to ascertain the market value and rate of royalty payable to the state government. We understand that as at 31 March 2021 all the conditions a – d above have not been fulfilled.

Table 5 (Cont'd) - Schedule D of the Amended and Restated ESA

No.	Company/Applicant	Certificate No	Findings
3.	Gladioli Enterprises Area: 3,237 Ha Minerals: Gold/Silver/Base metals/Calcium Expiry Date: 12/07/2008 Application for Renewal 15/03/2008	MC No. 1D/2/1987 (B)	We are instructed that this tenement is still under renewal application. We have been provided with a copy of Gladioli Enterprises' application letter to the Chief Minister of Sarawak dated 15th March 2008 for renewal of the MC (for both Areas A, Gunung Pangga, Batu District and Area B, Subang, Serian District), and the application forms were sent to Land & Survey Department, Kuching Division. In a letter dated 8th March 2010, the Ministry of Planning and Resource Management confirms that the abovementioned letter of renewal application has been received and forwarded to the relevant Departments. We are instructed that as at 31 March 2021 there are no further updates in relation to this application.
4.	Gladioli Enterprises Area: 7,240 Ha Minerals: Gold/Silver/Base metals/Calcium Expiry Date: 31/07/2008 Application for Renewal 15/03/2008	MC No. 1D/3/ 1987	We are instructed that this tenement is still under renewal application. We have been provided with a copy of Gladioli Enterprises' application letter to the Chief Minister of Sarawak dated 15th March 2008 for renewal of the MC in Bau District, and the application forms were sent to Land & Survey Department, Kuching Division. In a letter from the Ministry of Planning and Resource Management dated 8th March 2010 it confirms that the abovementioned letter of renewal application has been received and forwarded to the relevant Departments. We are instructed that as at 31 March 2021 there are no further updates in relation to this application.
5.	Gladioli Enterprises Area: 1,379 Ha Minerals : Gold/Silver/Base metals/Calcium Expiry Date: 12/07/2008 Application for Renewal 15/03/2008	MC No. SD/1/1987	In a letter dated 9th October 2012 from the Land and Survey Department, Kuching it states that SMMA has approved Gladioli Enterprises' ML application in Tama/ Tebekang - Tebedu, Serian District for a lease term of 10 years and will issue the ML subject to the fulfilment and satisfaction of the special conditions, amongst others, to submit Mine Rehabilitation Plan to SMMA for approval in accordance to Section 109 and 110 Minerals Ordinance 2012 prior to the commencement of any mining activity. We understand that as at 31 March 2021 these conditions have not been satisfied.

Table 6 - Schedule D of the Amended and Restated ESA

No.	Company/Applicant	Ex- Licence No	Ex- Company / Holder	Findings
1	Gladioli Enterprises Area: 17.10 Ha Minerals: Gold/Silver/Base metals Expiry Date: 28/08/2001 Application for Renewal 22/09/2006	EX-ML 93	Syarikat Tabai Sdn. Bhd	We are instructed that these tenements are still under renewal application. On 22nd September 2006 the Gladioli Companies wrote to apply for new Mining Leases over the areas of 10 expired MLs in the Bau Mining District (including Ex-ML 93, 129 and 132 as stated in this table), addressed to the Chief Minister of Sarawak, followed by a subsequent follow up letter dated 24th April 2007 addressed to the Chief Minister of Sarawak.
2	Gladioli Enterprises Area: 263 Ha Minerals: Gold/Silver/Base metals Expiry Date: 26/02/2002 Application for Renewal 22/09/2006	Ex-ML 129	Syarikat Kalimantan Enterprises Sdn. Bhd.	Prescribed Forms A for the Application of New Mining Leases over the areas of Ex-ML 93, 129 and 132 were only submitted on 31st July 2007, enclosed with the letter dated 31st July 2007. We are also provided with a letter dated 23rd April 2007, Reference No. GE/ML(CM)/07/1, addressed to the Chief Minister of Sarawak to specifically follow up with the application for ML over Ex-ML 93, 129 and 132.
3	Gladioli Enterprises Area: 126 Ha Minerals: Gold/Silver/Base metals Expiry Date: 01/04/2003 Application for Renewal 22/09/2006	Ex-ML 132	Southern Gold Mining Development Sdn. Bhd.	It is then stated in the letter dated 10th September 2009 that the company has obtained confirmation from Land and Survey Department, Kuching that none of the previous holders has submitted their respective renewal applications. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 7 – Schedule D of the Amended and Restated ESA

No.	Licence	Company/Applicant Details	Findings
1	EPL Lot 1	Gladioli Enterprises Area: 7,163 Ha Minerals: Gold/Silver/Mercury/Calcium Expiry Date of Original: 11/05/1990 Application for Renewal 05/01/1990	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 5th January 1990. On even date, same application letter was sent to Ministry of Resource Planning whereas the application form was sent to Land and Survey Department, Kuching Division). The subsequent follow up letters are (a) dated 31st March 1993; (b) dated 6th December 1996; (c) dated 28th June 1999; (d) dated 14th November 2003; (e) dated 10th November 2006; addressed to Chief Minister of Sarawak; (f) dated 22nd November 2006; addressed to Land & Survey Department, Samarahan Division to inform on the change of jurisdiction from Kuching Division to Samarahan Division. The Land & Survey Department, Samarahan Division requested for additional document to be submitted, vide letter dated 4th January 2007; (g) dated 21st March 2007, on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and (h) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
2	EPL Lot 2	Gladioli Enterprises Area: 1,210 Ha Minerals: Gold/Silver/Mercury/Calcium Expiry Date of Original: 12/05/1990 Application for Renewal 05/01/1990	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 5th January 1990. On even date, same application letter was sent to Ministry of Resource Planning whereas the application form was sent to Land and Survey Department, Kuching Division. The subsequent follow up letters are: (a) dated 31st March 1993; (b) dated 6th December 1996; (c) dated 28th June 1999; (d) dated 14th November 2003; (e) dated 10th November 2006, addressed to Chief Minister of Sarawak; and (f) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 7 (Cont'd) – Schedule D of the Amended and Restated ESA

No.	Licence	Company/Applicant Details	Findings
3	EPL Lot 3a	Gladioli Enterprises Area: 1,070 Ha Minerals: Gold/Silver/Mercury/Calcium Expiry Date of Original: 15/05/1990 Application for Renewal 05/01/1990	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 5th January 1990, Reference No. GE/REPL(CM)/90/1]. On even date, same application letter was sent to Ministry of Resource Planning whereas the application form was sent to Land and Survey Department, Kuching Division. The subsequent follow up letters are: (a) dated 31st March 1993; (b) dated 6th December 1996; (c) dated 28th June 1999; (d) dated 14th November 2003; (e) dated 10th November 2006, addressed to Chief Minister of Sarawak; and (f) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
4	EPL Lot 3b	Gladioli Enterprises Area: 3,785 Ha Minerals: Gold/Silver/Mercury/Calcium Expiry Date of Original: 15/05/1990 Application for Renewal 05/01/1990	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 5th January 1990. On even date, same application letter was sent to Ministry of Resource Planning whereas the application form was sent to Land and Survey Department, Kuching Division. The subsequent follow up letters are (a) dated 31st March 1993; (b) dated 6th December 1996; (c) dated 28th June 1999; (d) dated 14th November 2003; (e) dated 10th November 2006; addressed to Chief Minister of Sarawak; (f) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 7 (Cont'd) – Schedule D of the Amended and Restated ESA

No.	Licence	Company/Applicant Details	Findings
5	EPL Lot 4	Gladioli Enterprises Area: 8,373 Ha Minerals: Gold/Silver/Mercury/Calcium Expiry Date of Original: 15/05/1990 Application for Renewal: 05/01/1990	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 5th January 1990. On even date, same application letter was sent to Ministry of Resource Planning whereas the application form was sent to Land and Survey Department, Kuching Division. Gladioli Enterprises then sent a letter to Chief Minister's Office on 17th May 1990 to make a small amendment to the proposed area to be relinquished. The company applied to retain Kampung Sago and Kampung Kopit and in return to relinquish an area of equivalent size in Gunong Serambu-Siniawan areas. The subsequent follow up letters are: (a) dated 31st March 1993; (b) dated 6th December 1996; (c) dated 28th June 1999; (d) dated 14th November 2003; (e) dated 10th November 2006, addressed to Chief Minister of Sarawak; and (f) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
6	EPL 337 [Lot 5A]	Gladioli Enterprises Area: 1,817 Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 14/12/1997 Application for Renewal 06/03/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letters for EPL which was submitted on 6th March 1998, followed by subsequent letters: (a) dated 28th June 1999; (b) dated 14th November 2003; (c) dated 10th November 2006; (d) dated 21st March 2007 on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and (f) dated 6th April 2012. As at 31 March 2021 the Gladioli Companies have not received any further notice from the authority on this matter.

Table 7 (Cont'd) – Schedule D of the Amended and Restated ESA

No.	Licence	Company/Applicant Details	Findings
7	EPL 337 [Lot 5B]	Gladioli Enterprises Area: 1,897 Ha Minerals: Gold/Silver/ Base Metals Expiry Date of Original: 14/12/1997 Application for Renewal 06/03/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letters for EPL which was submitted on 6th March 1998, followed by subsequent letters: (a) dated 28th June 1999; (b) dated 14th November 2003; (c) dated 10th November 2006; (d) dated 21st March 2007 on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and (f) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
8	EPL 338 [Lot 6]	Gladioli Enterprises Area : 763.53 Ha Minerals : Gold/Silver/Base Metals Expiry Date of Original : 14/12/1997 Application for Renewal: 06/03/1998	According to the Gladioli companies, this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of the first renewal application letter by Gladioli Enterprises for EPL which was submitted on 6th March 1998 followed by subsequent letters: (d) dated 28th June 1999; (e) dated 14th November 2003; and © dated 10th November 2006. Subsequently Gladioli 2011 submitted a new application for ML/MC covering the area under EPL 338 and for an additional area “M” of 260 ha, totalling an area of 1,507 Ha under Gladioli 2011, via letter dated 26th February 2012 addressed to Minister with Special Functions in the Chief Minister’s Office. A follow up letter was sent by Gladioli 2011 dated 6th April 2012. On 17th October 2013 the company submitted an application to the State Minerals Management Authority for a new ML/MC which superseded the previous application, for an area totalling 1,999.01 Ha comprising of the entire EPL 338 [Lot 6] part of GPL 4/1996 (325 Ha), and a new Area M. According to the CCM Search Report dated 22nd September 2020, Gladioli 2011 has been dissolved (refer to Paragraph 2.4.11 of this Report for further details). In this relation, we have received a copy of the letter dated 8th October 2020 (Ref: GE/CM/2020/01) wherein Gladioli Enterprises appears to have written in to the Minister of Urban Development & Natural Resources to “transfer” or subrogate this application for the area totalling 1,999.01 ha to be under Gladioli Enterprises As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 7 (Cont'd) – Schedule D of the Amended and Restated ESA

No.	Licence	Company/Applicant Details	Findings
9	EPL 340 [Lot 7]	Gladioli Enterprises Area : 927Ha Minerals : Gold/Silver/Base Metals Expiry Date of Original : 27/09/1996 Application for Renewal: 20/09/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter for EPL which was submitted on 20 th September 1998 to the Ministry of Resource Planning and Lands & Surveys Department followed by subsequent letters: (a) dated 28 th June 1999; (b) dated 14 th November 2003; (c) dated 10 th November 1999; (d) dated 6 th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
10	EPL 339 [Lot 9]	Gladioli Enterprises Area : 1,710 Ha Minerals : Gold/Silver/Base Metals Expiry Date of Original : 14/12/1997 Application for Renewal 06/03/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letters for EPL which was submitted on 6 th March 1998, followed by subsequent letters: (a) dated 28 th June 1999; (b) dated 14 th November 2003; (c) dated 10 th November 2006; (d) dated 21 st March 2007 on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and (f) dated 6 th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 8 - Schedule D of the Amended and Restated ESA

Licence	Company/Applicant Details	Findings
EPL Lot 8	Gladioli Enterprises Area : 2,000 Ha Minerals : Gold/Silver/Base Metals Remark: to renew two portions of the original area of GPL No 3/1992; : for one EPL [Lot 8] to be issued from part of the original area of GPL No. 3 /1992.	We are instructed that this application is still pending. The Gladioli Companies have provided us with a scanned copy of the application letter for EPL which was submitted on 9th August 1994,— however, from this scanned copy, it seems that the prescribed application form and supporting documents for the application of EPL 8 was not compiled together with the copy of this application letter. The following letters were subsequently sent: (a) dated 1 November 1995 enclosing the completed application form for the EPL Lot 8 of even date and supporting documents; (b) dated 6th December 1996; (c) dated 28th June 1999;(d) dated 10th November 2006; (e) dated 22nd November 2006; (f) dated 21st March 2007, on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and (g) dated 6th April 2012. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 9 - Schedule D of the Amended & Restated ESA

No.	Licence	Company/Applicant Details	Findings
1	GPL No. 3/1992a	Gladioli Enterprises Area: 2,800Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 25/08/1994 Application for Renewal: 09/08/1994	We are instructed that these tenements are still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letters and partial relinquishment of these GPLs which were submitted together with EPL Lot 8 on 9th August 1994, followed by subsequent letters: (a) dated 6th December 1996; (b) dated 28th June 1999; (c) dated 14th November 2003; (d) dated 10th November 2006; (e) dated 6th April 2012).
2	GPL No. 3/1992b	Gladioli Enterprises Area: 5,700 Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 25/08/1994 Application for Renewal: 09/08/1994	As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.
3	GPL Lot 4/1992	Gladioli Enterprises Area: 4,061 Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 25/08/1994 Application for Renewal 09/08/1994	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter which was submitted together with EPL Lot 9 on 9th August 1994, followed by subsequent letters: (a) dated 6th December 1996; (b) dated 28th June 1999; (c) dated 14th November 2003; e) dated 6th April 2012). As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 9 (Con't) - Schedule D of the Amended & Restated ESA

No.	Licence	Company/Applicant Details	Findings
4	GPL No. 7/1995	Gladioli Enterprises Area: 17,028Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 09/11/1997 Application for Renewal: 06/03/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter dated 6 March 1998, followed by subsequent letters: (a) dated 28th June 1999; (b) dated 14th November 2003; (c) dated 10th November 2006; (d) dated 21st March 2007 on resubmission of GPL/EPL renewal application reports and forms due to the change of jurisdiction from Kuching Division to Samarahan Division; and; (e) dated 6th April 2012). As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter. Note: Gladioli Enterprises' letter to the Chief Minister dated 6.3.1998 (applied for "renewal of the GPL area", which appears to be 17,028 ha. However, Rule 10(2) of the Mining Rules 1995 state that the licensee of a GPL shall only be entitled to apply for an area equivalent to 50% of the original licensed area. Note also that Section 29(2) of the Minerals Ordinance state that "[an] extension of a general prospecting licence shall apply to an area equivalent to fifty per cent of the original licensed area in the first instance".
5	GPL No. 4/1996	Gladioli Enterprises Area: 492.90 Ha Minerals: Gold/Silver/Base Metals Expiry Date of Original: 14/11/1998 Application for Renewal: 30/10/1998	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first renewal application letter dated 30th October 1998, and the reply letter from Land and Survey Department dated 1st February 1999, stated that the authority has received the application letter and will inform the outcome after due consideration. In Gladioli Enterprises' letter to the Chief Minister dated 30/10/1998, it is stated that the application seeks for 492.9 ha to be retained for renewal, while the remaining 429.9 ha to be relinquished. We were also provided with subsequent follow-up letters: (a) dated 28th June 1999;; (b) dated 14th November 2003;(c) dated 10th November 2006; (d) dated 6th April 2012.We have also received a copy of the letter dated 17th October 2013 (Ref No. GE2011/GCF/13/01) [see Appendix MT11-A] addressed to the State Minerals Management Authority, with which Gladioli (2011) made an application for a new ML/MC over an area of 1,999.01 ha, which comprises of the entire land under EPL No. 338 (Lot 6), part of the original area of GPL 4/1996 (325 ha), and a new "Area M". According to the CCM Search Report dated 22nd September 2020, Gladioli 2011 has been dissolved (refer to Paragraph 2.4.11 of this Report for further details). Following the dissolution of Gladioli (2011), Gladioli Enterprises is communicating with the Chief Minister of Sarawak in his capacity as Minister of Urban Development & Natural Resources to seek to subrogate or transfer the formerly submitted renewal application for part of the original area of GPL 4/1996 be now made under Gladioli Enterprises. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Table 9 (Con't) - Schedule D of the Amended & Restated ESA

No.	Licence	Company/Applicant Details	Findings
6	GPL 39/1997	Gladioli Enterprises <i>Area: 5,726.5 Ha</i> <i>Minerals: Metal/or Mineral other than Mineral Oils</i> <i>Expiry Date of Original: 21/08/1999</i> <i>Application for Renewal 05/01/2000</i>	We are instructed that this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of the first renewal application letter dated 5th January 2000, for a further period of two years, followed by the subsequent letters: a) dated 14th November 2003; (b) dated 10th November 2006; (c) dated 6th April 2012. As at 31 March 2021 the Gladioli Companies have not received any further notice from the authority on this matter.

Table 10 - Schedule D of the Amended and Restated ESA

Licence	Company/Applicant Details	Findings
SB1-SB6	Gladioli Enterprises Area: 77,500Ha Minerals: Gold/Mercury/Copper/Antimony/Coal and Industrial Minerals Expiry Date of Original: 27/03/1996.	We are instructed that, this tenement is still under renewal application. The Gladioli Companies have provided us with a scanned copy of first application letter by Gladioli Enterprises for new GPL dated 27th March 1996. Land and Survey Department replied to the application letter on 10th May 1996, stating that the application was received and would be processed as soon as all the necessary documents are in order. We were also provided with follow-up letters: (a) dated 10th November 2006; (b) dated 27th April 2007; and (c) dated 24th February 2011, addressed to the Chief Minister of Sarawak, which also requested for the approval and issuance of the GPLs, preferably for blocks SB-5 and SB-6 first. As at 31 March 2021 the Gladioli Companies have not received any further notice from the authority on this matter

Table 11 - Schedule D of the Amended and Restated ESA

Licence	Company/Applicant Details	Findings
GPL 01/2008/1D	Gladioli Enterprises <i>Area: 30.97Ha</i> <i>Minerals: Gold/ Silver and Base metals.</i> <i>Expiry Date of Original GPL:</i> <i>13/04/2010</i> <i>Application for EPL dated</i> <i>24/09/2009.</i>	We are instructed this tenement is still under application to be replaced with an EPL. In this relation, we have received a scanned copy of the application letters, dated 24th September 2009 addressed to the Chief Minister of Sarawak and of the Land and Survey Department dated 24th September 2009. We have sighted a scanned copy of the expired GPL dated 14th April 2008 within the area of land situated at Gunung Pangga, in the Kuching Division, Sarawak. The special conditions stipulated therein are as follows: (1) No agent of the licensee shall carry out prospecting operation unless he holds a separate licence in his personal name. (2) All information obtained by the licensee as a result of prospecting shall be disclosed to the Inspector of Mines, the Director of Mineral and Geoscience Survey Malaysia, Sarawak and the Director of Lands and Surveys, Sarawak, who may make such use, including publication of this information as they think fit. (3) Whenever the licensee intends to prospect any area under this licence he shall give one week's previous notice in writing to the District Officer of the District and the Superintendent of Police of the Division, in which the area is situated and such notice shall specify the area in which he intends to prospect and the period of prospecting. (4) This licence shall be subject to the concurrent right of any other licensee who holds a valid licence issued under the Mining Ordinance and, in the event of any dispute with respect to the right to prospect any particular area of land which may arise in the course of prospecting operations carried out under and virtue of this licence, the matter shall be referred to the Director of Lands and Surveys, whose decision shall be final. We were provided with a reply letter from Ministry of Planning and Resources Management dated 30th November 2009 stated that the EPL application has been forwarded to Land & Survey Department and Minerals and Geoscience Malaysia, Kuching for processing and comments. As at 31 March 2021, the Gladioli Companies have not received any further notice from the authority on this matter.

Attachment H Independent Technical Assessment Report



CUBE
CONSULTING

INDEPENDENT TECHNICAL ASSESSMENT

BAU GOLD PROJECT, SARAWAK, EAST MALYSIA

20 April 2021

Prepared For:

Besra Gold Inc

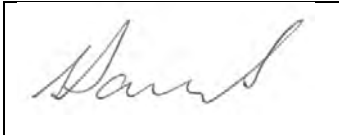
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Cube Manager Approval	Rebecca Prain B.Sc (Geology)	Signature	

Important Information

This Report is provided in accordance with the proposal by Cube Consulting Pty Ltd to Besra Gold Inc and the terms of Cube's Consulting Services Agreement ("the Agreement"). Cube has consented to the use and publication of this Report by Besra Gold Inc for the purposes set out in Cube's proposal and in accordance with the Agreement. Besra Gold Inc may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Cube's prior written consent.

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20 April 2021

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INDEPENDENT GEOLOGISTS' REPORT ON THE MINERAL ASSETS OF THE BAU GOLD PROJECT

Dear Board Members,

Cube Consulting Pty Ltd (Cube) has been commissioned by Besra Gold Inc. (Besra) to provide an Independent Technical Report (ITAR) on behalf of Besra for the Bau Gold Project. Cube understands the ITAR will form part of a prospectus for an Initial Public Offering (IPO) of between 50 million and 62.5 million fully paid CHESS Depositary Interests (CDIs) over equivalent common shares (Shares) in the capital of Besra Gold Inc, a company existing under the federal laws of Canada (Company) (i.e. a ratio of one (1) CDI for one (1) Share) at a price of A\$0.20 per CDI, to raise a minimum of A\$10.0 million and up to A\$12.5 million (before costs and expenses).

Reporting Standard

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Besra to support the proposed listing on the Australian Stock Exchange.

This Report does not provide a valuation of the mineral assets and has been prepared to the standard of, and is considered by Cube to be, a Technical Assessment Report in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("**VALMIN Code**"). The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the standard is binding upon all AusIMM members. The VALMIN Code incorporates the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**JORC Code**") for the reporting of Mineral Resources and Ore Reserves.

This Report is not a Valuation Report and does not express an opinion as to the value of mineral assets or make any comment on the fairness and reasonableness of any transactions related to the proposed merger. Aspects reviewed in this Report may include product prices, socio-political issues and environmental considerations; however, Cube does not express an opinion regarding the specific value of the assets and tenements involved.

Cube's Opinion

Based on Cube's assessment of the Bau Gold Project, it is of our opinion that the Project is of sound technical merit and is considered to be sufficiently prospective, subject to varying degrees of exploration and development risk, to warrant further resource delineation and pre-development assessment of its economic potential, consistent with the proposed work program.

The work program summarised in the report ranges from 5.75 million to \$8.10 million depending on share subscriptions. Besra intends to raise a minimum of \$10 million, and at least half the liquid assets held, or funds proposed to be raised by Besra are understood to be committed to resource delineation, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). Cube also understands that Besra has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Besra's work program is adapted for the specific potential of its projects consistent with the budget allocations. Cube considers that the relevant areas have sufficient technical merit to justify the proposed work program and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a).

Cube Independence

Neither Cube, nor the Author of this report, have or have previously had, any material interest in Besra or the mineral properties in which Besra has an interest. Our relationship with Besra is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Information Basis of this Report

Cube has based its review of the Bau Gold Project on information provided by Besra up to and including 18 March 2021. Additional information has included technical reports prepared by consultants, Government agencies, previous tenement holders project and annual technical reports, and other relevant published and unpublished data.

Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The legal status associated with the tenure of the Besra properties has not been independently verified by Cube. The current status of tenements listed in this report is based on information provided by Besra, and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation.

Cube and Authors

Cube is an independent Australian owned company of consultants which has been providing a comprehensive range of specialist technical services to the mining industry in Australia and overseas since 2000.

This report has been compiled by Mr Daniel Saunders B.Sc, who is a professional geologist with 22 years' experience in the exploration and evaluation of mineral properties within Australia and overseas. Mr

Saunders is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC code.

Consents

Cube has provided consent for the inclusion, in full of the Independent Geologist Report in the Prospectus, and to the inclusion of statements made by Cube, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

Yours faithfully

Cube Consulting Pty Ltd

A handwritten signature in dark ink, appearing to read 'Daniel', written in a cursive style.

Daniel Saunders, B.Sc, MAusIMM
Senior Consultant Geologist



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1.0 EXECUTIVE SUMMARY

Cube Consulting Pty Ltd (Cube) has been commissioned by Besra Gold Inc. (Besra) to provide an Independent Technical Assessment Report (ITAR) on behalf of Besra for the Bau Gold Project for the purposes of the proposed listing of Besra on the Australian Securities Exchange (ASX) on or about May 2021. Cube understands the ITAR, or abridged version thereof, will form part of a prospectus for an Initial Public Offering (IPO) of between 50 million and 62.5 million fully paid CHESS Depositary Interests (CDIs) over equivalent common shares (Shares) in the capital of Besra Gold Inc (i.e., a ratio of one (1) CDI for one (1) Share) at a price of A\$0.20 per CDI, to raise a minimum of A\$10.0 million and up to A\$12.5 million (before costs and expenses).

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Besra to support the proposed listing on the ASX.

This Report does not provide a valuation of the mineral assets and has been prepared to the standard of, and is considered by Cube to be, a Technical Assessment Report in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (VALMIN Code). The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy (AusIMM), The Australian Institute of Geoscientists (AIG) and other relevant stakeholders. This standard is binding upon all AusIMM and AIG members. The VALMIN Code incorporates the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) for the reporting of Mineral Resources and Ore Reserves.

This Report is not a Valuation Report and does not express an opinion as to the value of mineral assets or make any comment on the fairness and reasonableness of any transactions related to the proposed IPO. Aspects reviewed in this Report may include geological prospectivity, current and planned exploration activities, socio-political issues and environmental considerations; however, Cube does not express an opinion regarding the specific value of the assets and tenements involved.

Based on Cube's assessment of the Bau Gold Project, it is of our opinion that the Project is considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of the economic potential, consistent with the proposed programs.

Bau Project expenditure for the two years following admission to the ASX (broadly FY2022 and FY2023) is expected to be A\$5.75M to \$8.10M (depending upon the total amount raised and progressive results), which Cube believes is sufficient to evaluate the properties to a level that Besra has stated in the IPO prospectus.

Neither Cube, nor the Authors of this report, have or have previously had, any material interest in Besra or the mineral properties in which Besra has an interest. Our relationship with Besra is solely one of professional association between client and independent consultant. Cube has also not conducted any work for Besra in the last two years. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. Preparation of this report cost approximately A\$47,000 and is in line with the number of prospects, the areas covered and the volume of data and complexity.

Cube has based its report of the Bau Gold Project on information provided by Besra up to and including 18 March 2021. Additional information has included technical reports prepared by consultants,



Government agencies, previous tenement holders project and annual technical reports, and other relevant published and unpublished data. Site visits to key prospects were also undertaken.

Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

Cube has not independently investigated the tenement status of the Project or the requirements of Malaysian mining and exploration legislation. The Author of this report is not qualified to provide comment on the legal issues associated with the Project, including any agreements, joint venture terms, environmental issues and the legal status of the exploration permits included in the Project. Details of these are contained in other sections of this Prospectus including Attachment H, the Malaysian Solicitors' Report, and Section 8, Material Contracts which should be read in conjunction with this report.

Cube is an independent Australian owned company of consultants which has been providing a comprehensive range of specialist technical services to the mining industry in Australia and overseas since 2000.

This report has been compiled by Mr Daniel Saunders (B.Sc.), who is a professional geologist with over 22 years' experience in mine production, exploration and evaluation of mineral properties within Australia and overseas. Mr Saunders is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the JORC code.

Mr Brian Fitzpatrick assisted with a technical review of the report.

Cube has provided consent for the inclusion of the Independent Technical Assessment Report in the Prospectus in its current form, and to the inclusion of statements made by Cube, in the form and context in which the report and those statements appear and has not withdrawn that consent before lodgement of the Prospectus with the ASX.

1.1 Tenements and Mining Legal Framework

Cube was not requested to provide an assessment of the tenements, mining legal framework, nor of any material contracts relating to Besra's interests in the Bau Gold Project. The distribution of tenements across the Bau Gold Project area is illustrated in Section 3, and Attachment H of this Prospectus contains the Malaysian Solicitor's Report which deals with the specific title issues, joint venture agreements and environmental issues pertinent to of the Bau Gold Project, as well as an overview of the legislative and administrative requirements for mining within Malaysia and the State of Sarawak specifically. Details of material contracts pertinent to the Project are included in Section 8 of this Prospectus.

Suffice to say that Sarawak, being a state within the Federation of Malaysia, a Commonwealth nation, has a legislative framework typical of former or current British Commonwealth jurisdictions, including Australia and Canada, in which all mineral resources are owned by the State, with mining licences being issued in consideration of royalties payable to the State.



1.2 Resources

The reported Mineral Resources within the Bau Gold Project reflect a combination of estimates completed during 2010 and 2011, and selected updates in 2012. These resources were reported in line National Instrument 43-101, CIMM Definitions and the Australasian Institute of Mining & Metallurgy's JORC Code 2004.

In November 2018 Besra completed a review of the Mineral Resource estimates to update them against the requirements of the JORC Code 2012. A summary of the Mineral Resources is presented in Table 1-1Table 1-2, while a breakdown by respective prospect area is presented in Table 1-2.

Table 1-1: Summary Mineral Resources (JORC 2012) for the Bau Gold Project (effective November 2018)

Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)	Contained Gold (Ounces)
Measured	0.5	3,405,600	1.52	165,000
Indicated	0.5	17,879,700	1.67	960,000
Mea. + Ind.		21,285,300	1.64	1,125,000
Inferred	0.5	51,329,000	1.32	2,180,000

Table 1-2: Reported Mineral Resources (JORC 2012) for the Bau Gold Project (effective November 2018)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Jugan	Jugan	Measured	0.5	3,405,600	1.52
		Indicated	0.5	14,505,700	1.51
		Inferred	0.5	1,774,000	1.57
Bekajang-Krian	BYG-Krian	Indicated	0.5	1,857,000	2.02
		Inferred	0.5	3,328,000	1.51
	Bekajang South	Inferred	0.5	2,294,000	1.60
	Bekajang North	Inferred	0.5	1,250,000	2.33
	Karang Bila	Inferred	0.5	628,000	2.50
	Tailings	Inferred	0.5	3,138,000	1.00
Pejiru	Bogag-Pejiru	Inferred	0.5	11,800,000	1.10
	Pejiru Extension	Inferred	0.5	7,053,000	1.14
	Kapor	Inferred	0.5	4,849,000	1.59
	Boring	Inferred	0.5	2,096,000	1.10
Sirenggok	Sirenggok	Inferred	0.5	8,346,000	1.14
Taiton	Taiton A	Indicated	0.5	1,148,000	2.23
		Inferred	0.5	690,000	1.37
	Tabai (Open Pit)	Indicated	0.5	133,000	2.83
		Inferred	0.5	75,000	1.74
	Tabai (UG)	Indicated	2.0	236,000	5.23
		Inferred	2.0	40,000	4.67
	Taiton B	Inferred	0.5	1,848,000	1.56
	Umbut	Inferred	0.5	690,000	2.26
	Overhead	Inferred	2.0	76,000	3.36
Say Seng	Say Seng	Inferred	0.5	244,000	3.24
	Bukit Sarin	Inferred	0.5	1,110,000	1.27



1.3 Business Strategy and Proposed Work Program

Besra has proposed, subject to the ultimate quantum of funds raised, in-country budgets to fund its work program within the Bau Gold Project area for the initial two years following listing. This work program will be focussed on:

- Resource delineation
- Metallurgical studies
- Processing studies
- Upgrading Feasibility Studies
- Regulatory Compliance management

A breakdown of the in-country budget to fund Besra's work program under minimum and maximum subscriptions are presented in Table 1-3. Descriptions of these activities are presented in the relevant sections of this report. In Cube's opinion these activities have been planned and prioritised in a prudent and efficient manner to meet Besra's overall objectives.

Table 1-3: Besra's Proposed Use of Funds for First Two Years

Cost Area	Activity	Minimum Subscription (A\$,000s)	Maximum Subscription (A\$,000s)
In-Country	Resource Delineation & Supplementary Services	\$4,029	\$5,839
	Metallurgical Studies	\$405	\$550
	Processing Studies	\$620	\$775
	Upgrading Feasibility Studies	\$200	\$440
	Concession Management	\$500	\$500
	Sub-Total	\$5,646	\$8,104
Other	Staff Costs	\$473	\$1,495
	Corporate and Working Capital	\$2,079	\$864
	Expenses to the Offer	\$1,694	\$1,934
Total		\$10,000	\$15,000



2.0 INTRODUCTION

2.1 Scope and Terms of Reference

Cube has prepared this Independent Technical Assessment Report (ITAR) for Besra Gold Inc for use in a prospectus to support an initial public offering (IPO) for the Bau Gold Project.

The scope of work for the preparation of the ITAR consist of the following:

- Database validation checks and QAQC data review depending on condition and availability of data
- Review and validate all geological and mineralisation models
- Review of previous resource reports and other studies completed as part of a document review
- Review the exploration data
- Review proposed work programs and budgets
- A site inspection to observe the current status of the prospects
- Prepare a detailed ITAR, prepared in accordance with the JORC and VALMIN codes, including compilation and review of Table 1 reporting requirements.

Cube has not reviewed aspects associated with the reporting of Mineral Reserves, nor those related to mineral processing and metallurgical testing, other than in so far as to form a view on the appropriateness of the reporting of Mineral Resources.

This Report does not provide a valuation of the mineral assets and has been prepared to the standard of, and is considered by Cube to be, a Technical Assessment Report in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (VALMIN Code). The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy (AusIMM) and the standard is binding upon all AusIMM members. The VALMIN Code incorporates the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) for the reporting of Mineral Resources and Ore Reserves.

The report specifically provides a review and independent assessment of the technical exploration work conducted on the various prospects comprising the Bau Gold Project.

This report has been compiled by Daniel Saunders (the Author) who is a Senior Consultant Geologist with Cube and has been employed by Cube since 2018.

2.2 Principal Sources of Information and Data

The Author has relied on several sources of information on the Project area, including relevant published and unpublished third-party information, and public domain data, a list of which is provided in Section 13.0 of this report. Besra has provided project specific information which has formed the technical basis of this report.

All units are metric unless otherwise stated.



2.3 Reliance on Other Experts

The Author has relied on several sources of information for this report, including third party technical reports, relevant published and unpublished third-party information, and public domain data. Besra has supplied data relating to historical exploration activities for the Project which Cube has used as the basis for this report. Cube has made all reasonable endeavours, including a site visit to the Bau Gold Project, to confirm the authenticity and completeness of the technical data on which this report is based, however Cube cannot guarantee the authenticity or completeness of such third-party information.

All data used in this report has been verified and validated where practicable and is based on information believed to be accurate at the time of completion.

In relation to mineral tenure and related agreements, environmental liabilities, political or other issues and other factors relevant to the report, Cube has relied upon reports, statements and information supplied by Besra.

As stated in Section 1.1 of this report Cube has not independently investigated the tenement status of the Project nor the legal framework of Malaysian and the State of Sarawak mining and exploration legislation, and attention to these details is contained in the Solicitor's Report (Attachment H) of this Prospectus. Details of joint venture and contractual arrangements have also not been independently investigated by Cube and these, together with other Material Contracts, are contained in Section 8 and Attachment H of this Prospectus.

Details of third-party reference material used in the preparation of this report are included in Section 13.0. The Author has relied on the truth and accuracy of these various sources in the preparation of the data presented in this report.

Cube has followed professional standards in the preparation of the content of this report and this report is intended to be read in its entirety.

2.4 Competent Persons Statement

Information in this report that relates to Technical Assessment reflects information compiled and conclusions derived by Mr Daniel Saunders (B.Sc.), who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Saunders is a full-time employee of Cube Consulting Pty Ltd. Mr Saunders has sufficient experience to the Technical Assessment under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Saunders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves has been reviewed, and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), and takes responsibility for the integrity of data that have been used to prepare the Exploration Results and Mineral Resources, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the exploration results and resource estimation activity



that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



3.0 PROJECT OVERVIEW

This section has been sourced mainly from Bau Project, Stage 1, Feasibility Study, December 2013 (Besra Gold Inc., 2013).

3.1 Location

Besra has interests in four concessional areas, collectively covering approximately 1,340 km² of Sarawak, being Bau (consisting of Blocks A and B), Rawan and Block C (Serian) (Figure 3-1). The focus of Besra's activities are Blocks A and B, collectively referred to as the Bau Gold Project, broadly covering an 8 km by 15 km land corridor centred on the township of Bau, some 40 km WSW of the state capital of Kuching. The Block C and Rawan concessions lie east of Bau nearer to the Sarawak/Kalimantan border. These two regions represent early-stage exploration projects with limited investigation completed to date, and as such have been excluded from this Technical Report.

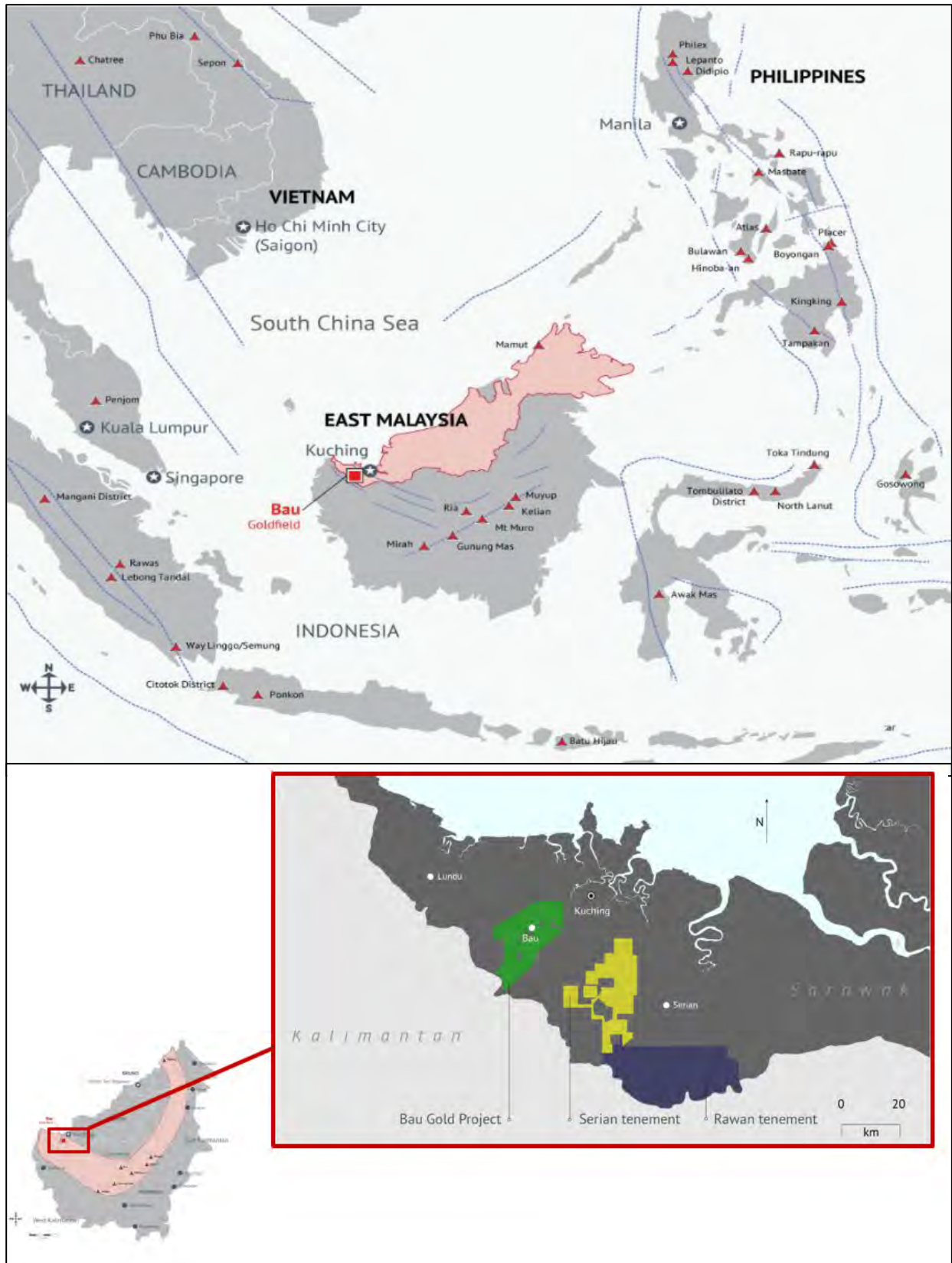


Figure 3-1: Property Location Map

The Bau project has been sub-divided into a series of sectors, each hosting one or more prospects shown in Figure 3-2. A summary of the major prospects within each respective sector is presented in Table 3-1.

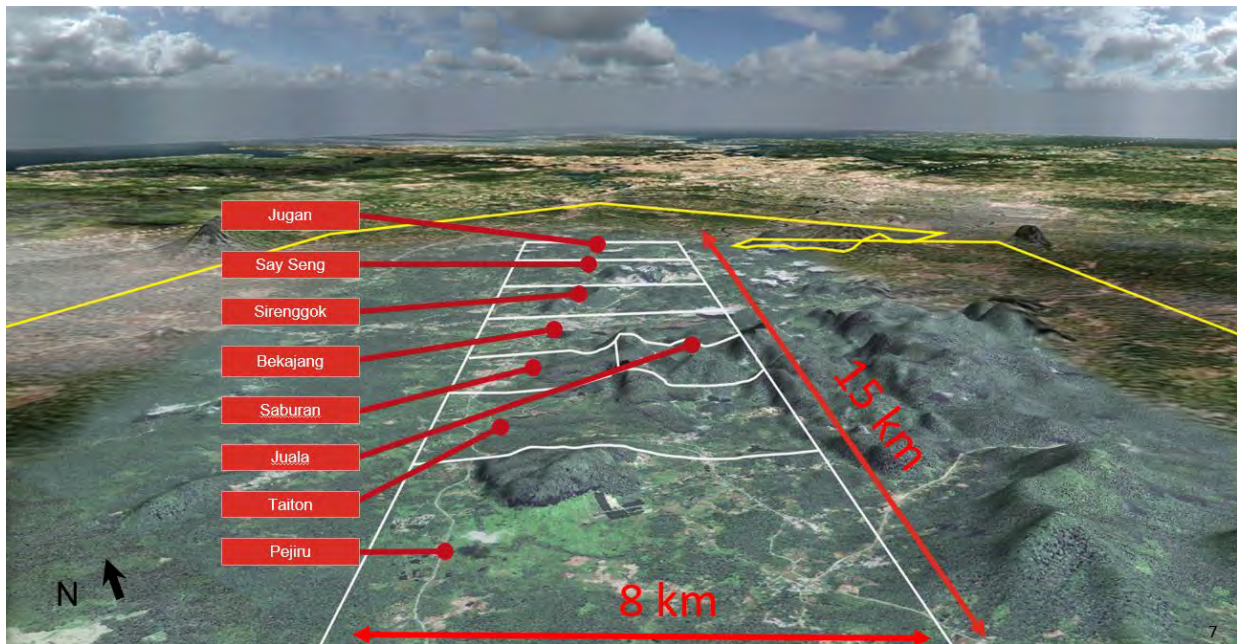


Figure 3-2: Bau Sectors and Prospect Location Map

Table 3-1: Summary of Sectors and Major Prospects

Sector	Prospect	Previously Reported Mineral Resources	Previously Reported Ore Reserves
Jugan	Jugan	Yes	Yes
Sirenggok	Sirenggok	Yes	No
Bekajang-Krian	Bukit Young Pit/Krian	Yes	Yes
	Karang Bila	Yes	No
	Bekajang North/South	Yes	No
Pejiru	Bogag-Pejiru	Yes	No
	Pejiru Extension	Yes	No
	Boring	Yes	No
	Kapor	Yes	No
Taiton	Taiton A	Yes	No
	Tabai (OP and UG)	Yes	No
	Taiton B	Yes	No
	Taiton C	No	No
	Umbut	Yes	No
	Overhead Tunnel	Yes	No
	Saburan	No	No
	Bunga	No	No
Say Seng	Say Seng	Yes	No
	Bukit Sarin	Yes	No
Juala	Juala West	No	No
	Arong Bakit	No	No



3.2 Project History

3.2.1 Pre-2010

The occurrence of gold on the island of Borneo was known in China as early as the 4th Century, and gold was reported to have been exported from Bau from the 12th Century. Archaeological sites have been found near Kuching, and gold mining activities have been reported from the Indonesian southern extension of the Bau District from as early as 1760 (Van Bemmelen, 1949).

Mining in the Bau District dates from the 1820s, when Chinese prospectors were reportedly exploiting antimony ores and later gold ores. Historical recorded gold production from the Bau area is 1.46 million ounces (Schuh, 1993). However, the true figure is thought to be in the vicinity of 3-4 million ounces when production prior to 1898, unreported production and recent production by Gladioli Group in the mid to late 1990's, is taken into account.

The district was also mined for antimony, mainly during the 18th Century. Total antimony production was 83,000 tonnes (Wolfenden, 1965). Mercury was mined also from 1868 through to 1909, and then again during the Japanese occupation from 1942 to 1945. Total historic production of mercury from the Bau District was 1,110 tonnes or 32,300 flasks (Roe, 1949).

In the late 19th Century, the British owned Borneo Company Ltd established control of the mining operations in the district. The company introduced new metallurgical techniques and claimed establishment of the world's first commercial cyanide treatment plant. By consolidating the various mines on the goldfield, the Borneo Company was able to maintain production until 1921, having produced approximately 980,000 oz of gold, mainly from the Tai Parit mine, located close to Bau township and the Bidi area, located approximately three kilometres south west of the town.

In the late 1970's a prominent local family (the Ling family) consolidated the tenements into a holding covering most of the prospective ground in the Bau Goldfield. This resulted in the reopening of the Tai Parit mine and the construction of a modern CIL plant at Bau. Reported production from Tai Parit is 700,000 oz of gold, which included approximately 213,000 oz produced by Bukit Young Goldmine Sdn Bhd (BYG) between 1991 and 1997. BYG is a member of the Gladioli Group.

A joint venture was formed between BYG and Renison Goldfields (RGC) of Australia in 1985. RGC conducted regional work around Bau as well as drilling a number of deep diamond drill holes in and around the Tai Parit mine and some of the central intrusive contacts. Due to a policy change within the company, RGC withdrew from all of its offshore projects in 1993, including Bau, at which time Menzies Gold NL (Australia) secured a joint venture with the Ling family.

Minsarco, the Australian subsidiary of the South African mining house GENCOR, carried out a feasibility study at Jugan in 1994. The study was based on the BIOX treatment process, a technology developed by GENCOR for the processing of refractory ore. Resource estimates were prepared by Resource Services Group (RSG) of Western Australia. Minsarco concluded that "the operation would be moderately positive" but elected not to proceed. Menzies Gold NL was invited to replace Minsarco as it was already involved in the "Bau 1 Joint Venture" with BYG. Menzies eventually joint ventured into the Jugan deposit as part of the "Bau 2 Agreement" in 1996, on the basis that the resource could be treated at a central processing facility, possibly at Bau.



In 1993, Menzies through its Malaysian subsidiary BYGS entered into a farm-in agreement with Gladioli. The agreement, known as the “Bau 1 Agreement”, gave BYGS the right to earn a 55% interest in certain exploration and mining tenements within the Bau Goldfield, covering an area of around 1,000 km². Tenements excluded from that agreement covered properties being exploited by Gladioli, and the Jugan deposit. In 1996, BYGS entered into a second agreement with Gladioli, the “Bau 2 Agreement”, whereby BYGS acquired a 55% interest in all tenements held by Gladioli. This agreement required BYGS to deliver a bankable feasibility study by June 1999, subject to certain conditions. During this period Menzies was part funded through an exploration and development agreement with Cameco Gold from Canada.

In 1996, Menzies initiated a feasibility study based on four deposits at Bau, namely Jugan, Pejiru, Kapor and Bekajang. The study was based on a treatment complex involving a concentrator, a BIOX leach plant and conventional CIP gold recovery. Resource models for the advanced deposits, Jugan and Pejiru, were prepared for Menzies, and the subsequent resource estimates for Jugan were reported as significantly lower than the 1994 estimates. As a result, Menzies decided that the size and grade of the known resources would not support an economic operation with the then prevailing gold price (< \$US300/oz, late 1997).

Menzies continued with an extensive exploration program throughout the field of largely shallow RC drilling, but withdrew by 2001.

Zedex entered into an earn-in agreement with Gladioli Enterprises Sdn Bhd in November 2006. Since commencement of the joint venture, the joint venture operator North Borneo Gold Sdn Bhd (NBG) has conducted the following exploration programs:

- Geological mapping, surface sampling, drilling and resource modelling to validate and extend the inherited geological database, and formally define resources to JORC status within three near-surface deposits (Jugan, Pejiru and Sirenggok). An estimate of gold contained within historic mine tailings at the BYG Gold Mine site was also undertaken.
- The first stage of a metallurgical program was carried out by OMC (a subsidiary of Lycopodium Ltd of Western Australia) in order to identify the metallurgical test-work needed to specify the most cost-effective gold recovery process route and conceptual mining studies commenced.
- Exploration (geophysical modelling, geological mapping, surface and underground sampling and drilling) was conducted to define additional resources targets within the Central part of the Bau Goldfield (Tenement Block A). These results were reviewed and geological potential for a further, 3.3 – 4.5 Moz gold was identified in additional areas and extensions to known resources.

The key events in the chronology of gold mining history in Bau, Sarawak are summarised below in Table 3-2.



Table 3-2 Gold Mining History of Bau, Sarawak - Chronology of Events (Besra Gold Inc., 2013)

Year/Period	Event
Early 19th Century	Elluvial and alluvial gold at Pangkalan Tebang and Bau itself was panned and sluiced by the Chinese miners from Sambas, Indonesia.
1870's	The Chinese miners started to process gold ore by hand crushing and panning in and around Bau area.
1882–1884	Borneo Company Limited assisted the local miners with mechanical equipment and a stamping mill to crush gold ore at Bau. Later, the company rented out pumping engines to the Chinese miners to work elluvial gold below water tables.
1896	The Borneo Company introduced the cyanide leaching method of gold extraction after successful experiments.
1898	The Borneo Company went into the gold mining industry actively, producing significant amount of gold at the Tai Parit Gold Mine using cyanidation process together with stamping battery and crushing mills.
1900	Bidi Gold Mine, the second biggest gold mine of the Borneo Company commenced operation.
1910	Tai Ton elluvial gold ore was discovered and transported to Bau mill by rail for processing.
1911	Bidi Plant was closed down.
1912	Tai Parit (Tasik Biru- Bau Lake) became a large opencast mining pit.
1920	The Tai Parit Mine reached a depth of 200 feet at one point.
1921	Tai Parit gold mine was flooded and abandoned by The Borneo Company Limited.
1921-1941	Enterprising Chinese miners adopted cyanidation methods to work on small deposits and reworked on the tailings.
1942-1945	There was no gold production during the Second World War.
1946-1984	Small scale mining of gold by local miners with an average production of about 2,500 troy ounces annually.
1983-1985	The revival of the gold-mining industry in Bau. The restructured Bukit Young Goldmine Sdn. Bhd. consolidated small gold mines and set up a centralized heap-leaching plant in 1983 which became operational in 1984.
1986-1990	Bukit Young Goldmine Sdn. Bhd. introduced the carbon-in-leach method in 1986.
June 1990	Old tailings mostly worked out and development to re-mine Tai Parit (Tasik Biru - Bau Lake) commenced, including dewatering one million tons of water from the lake.
1991	Detailed exploration drilling by Bukit Young Goldmine Sdn. Bhd. And subsequent re-mining of Tai Parit proved that the report of the mine manager of Borneo Company Ltd. in 1921 that the end of ore reserve was in sight was not true. Bukit Young Goldmine Sdn. Bhd. introduced state-of-the-art computerised Pressure Zadra (Fastrip System) gold elution and electro-winning circuits.
August 1992	Bukit Young Goldmine Sdn. Bhd. introduced further progressive state-of-the art gold processing technology to Bau; started the construction of Carbon-In-Pulp (CIP) circuit, including the use of 750 hp motor driven ball mill.
1993	A record of gold production - 1,547.33 kilograms valued at RM 46,350,200.00 (US\$17,660,745) based on the 1993 gold price.
1997	Bukit Young Goldmine Sdn Bhd stop mining and processing at Bau

3.2.2 2010 Onwards

Resource drilling in 2010 and 2011 focused largely on the Taiton A and Tabai prospects within the Taiton Sector, the Bukit Young Pit zone (Bekajang Sector) and Jugan (Jugan Sector), with the immediate focus being the upgrading of resources to Measured and Indicated categories to support the feasibility study.



Additional exploration drilling was completed, as was ongoing geological mapping and geophysical modelling.

The total drilling program culminated in an updated resource estimate that was announced during March 2012. The update generated an approximate 23% gold resource increase at Bau to 913,500 oz Au in the Measured and Indicated categories and 2,107,000 oz Au in the Inferred category. Included in the resource estimate is an upgrade of 349,600 oz Au of resources from Inferred to Measured and Indicated resource categories. This increase and upgrade derive from the drilling of 19,817 metres in 122 drill holes during 2010 and 2011.

In addition to drilling at Jugan, a total of seven trenches for a total length of 673 metres was completed. Results showed higher grade zones at the south-western end, north-eastern end and locally extended the mineralisation boundary. In addition, two metallurgical drill holes were completed and approximately 400 kg of sample was sent to SGS Lakefield in Perth and Core Resources in Brisbane for metallurgical test-work.

During the third quarter of 2011, the Company moved the Bau Project into feasibility phase with the objective of achieving a favourable development decision targeting stage one production of at least 100,000 oz of gold per annum by 2015. Exploration, mining feasibility, and environmental studies were planned to further expand the resource base, determine the best development route and examine the issues involved in developing multiple deposits in an optimal manner. Key development objectives included upgrade of the resource categories for a mining feasibility study. Similarly, key exploration objectives included geological, geophysical and geochemical definition of new targets for drilling in order of assessed priority.

Throughout 2012 and 2013 various work programs including drilling, trenching, soil sampling, geological mapping and geophysical surveys were completed. This work increased the project knowledge and resulted in the identification of a number of potential new mineralisation targets. Results were also used to inform the feasibility study, with the stage one report finalised in December 2013.

3.3 Physiography, Local Resources and Infrastructure

The Bau area is serviced by a network of sealed and gravel roads. Most of the main prospects and deposits within the Bau Gold Project can be accessed by vehicle tracks. The advanced prospects and deposits are all located within a seven-kilometre radius of the Bau township and accessible by vehicle. Foot access is required for some of the less advanced projects or outlying areas.

The Bau area is characterised by a typical monsoonal tropical climate with annual rainfall of around 3,500 mm to 4,000 mm. The highest rainfall usually occurs between December and January with significant rain possible all year round. Mean temperatures range from a high of around 31°C to a low of 22°C, while humidity averages approximately 70%.

The Kuching District, (including Bau) has a population of approximately 600,000 people. At Bau the main population groupings are Bidayuh, from the Dyak ethnic group, and Chinese who are mainly descendants of early miners who came to the area in the mid to late 19th century to exploit the gold and antimony deposits at Bau. The main industries in the Bau district are limestone quarrying, fish farming, rice farming, palm oil and rubber production, and now mineral exploration.



The Bau Project generally has good infrastructural aspects both within Bau Township and in Kuching. The main infrastructural features are:

- Regular and reliable international air services to Kuching from Kuala Lumpur, Singapore, Hong Kong and Indonesia. Airport is only a thirty-five to forty (35-40) minute drive from the project area.
- Two ports with good dock and storage facilities (port has a capacity for vessels up to 17,000 tonnes).
- Two main sealed trunk roads from Kuching for delivery of supplies, heavy plant and equipment to the project area.
- Skilled labour and engineering support services.
- Easy accessibility – project extremities are less than a twenty-minute drive from the exploration base, and all important mines and gold prospects are linked by road.
- Area is serviced with power and water.
- The official language in Sarawak is Bahasa Malaysia, but most local communities speak English as a second language and have their own local dialects.
- Well educated workforce (90% of population has received a secondary education).
- An active quarrying industry focused mainly on limestone and marble for roading aggregates and agricultural purposes.
- Ready supply of earthmoving equipment that supports the quarrying industry.
- A local labour source with skilled mining experience gained from the quarrying industry and past gold mining activity.

The Bau area displays striking physiography. Karst limestone blocks rise up to 350 m above a peripheral peneplain lowland of sediment between 20 m to 50 m above sea level. Much of the area is covered by severely modified tropical rain forests, with sporadic Kampung (village) style residential developments. Numerous tributaries of the right-hand branch of the Sarawak River dissect the region, which is generally a slow flowing meandering river system especially toward the coast, although prone to flash flooding during frequent rainstorm events in the wet season (December-March).

3.4 Regional Geology

3.4.1 Stratigraphy

The exposed rocks in the Bau district are dominated by a sequence of late Jurassic to early Cretaceous aged marine sediments. These comprise a lower limestone formation, the Bau Limestone, estimated to be up to 500 m thick, unconformably overlain by a 1,500 m thick flysch sequence, known as the Pedawan Formation. The Pedawan Formation is dominated by shale but more arenaceous and conglomeratic units are reasonably widespread through the sequence.

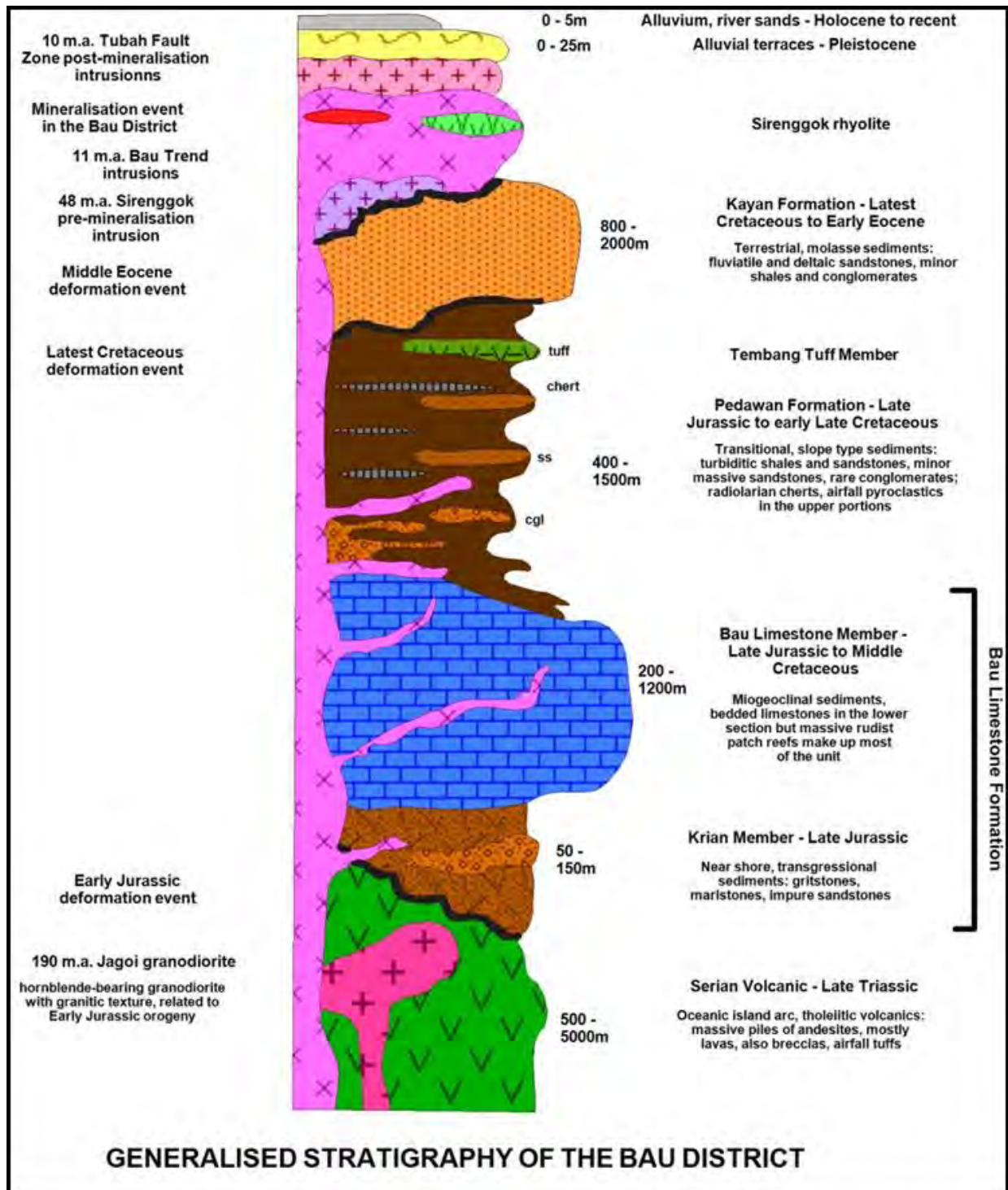


Figure 3-3: Generalised stratigraphy of the Bau district (after Schuh, 1993)

The oldest rocks known in the Bau Goldfield are the Triassic-aged, andesitic Serian Volcanics. These do not outcrop but have been intersected in drill holes at Bau, beneath the Bau limestone. An intrusive known as the Jagoi Granodiorite is thought to be co-eval with the Serian Volcanics and it outcrops 15 km southwest of Bau on the Indonesian border.

The Bau Limestone Formation has a lowermost, approximately 100 metre thick, arenaceous unit (the Krian Member), which also contains basal conglomerate beds. Krian sandstones rest unconformably on



the Serian Volcanics. The principal rock types and structures of the Bau Goldfield are shown in Figure 3-4.

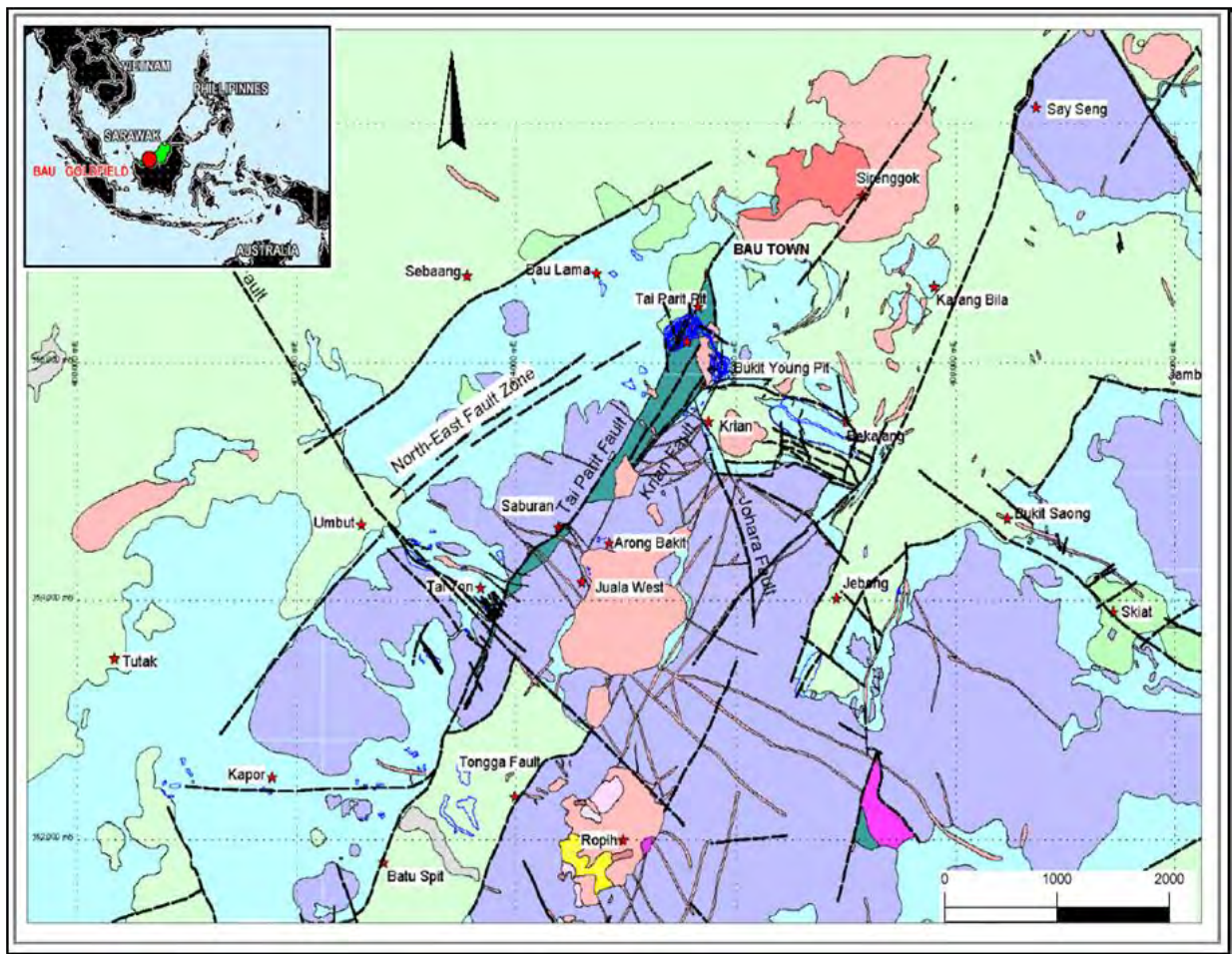


Figure 3-4: Generalised geology of the Bau goldfield

A striking feature of the Bau District is a series of uplifted horst blocks of Bau Limestone juxtaposing the generally stratigraphically higher Pedawan Formation. Throws on the NNE and southeast trending controlling graben faults are in the order of 300 metres. Surrounding the horsts of limestone is a peneplane of Bau Limestone exhibiting typical karst features where subsequent erosion has removed the Pedawan Formation and left it exposed.

The Pedawan Formation and Bau Limestone Formation represent fore-arc shelf and slope deposits developed to the north of a Jurassic-Cretaceous magmatic arc. Remnants of the arc are preserved as a granite belt in the Schwaner Ranges in Central Kalimantan.

3.4.2 Tertiary Aged Intrusives

Miocene age sub-volcanic intrusives of acid-intermediate composition (predominantly granodiorite porphyry, micro-granodiorite and dacite) intrude the Jurassic-Cretaceous sediments at Bau. They form a narrow belt of small stocks (generally <2 km² in area), and associated dykes and sills trending NNE-SSW from the Indonesian border through the central Bau Goldfield (the Bau Trend).

Exposure of the intrusives appears to be high-level; geophysical surveys indicate larger masses and unexposed bodies occur at shallow depth. Drilling has shown that at least one intrusive body near Bau



(Sirenggok porphyry) has the form of an upward-flaring funnel and therefore may be an endogenous dome.

The Bau Trend is correlated with a Late Oligocene (41 Ma) to Late Miocene (8 Ma) intrusive belt (Sintang Volcanic Suite). It occurs immediately south of the Sarawak border and extends across the entire width of Borneo. This belt is thought to have formed during an episode of crustal extension and increased thermal gradient across the Borneo microcontinent in the early to mid-Tertiary.

The age of the Sintang Volcanic Suite gradually decreases from west to east (Moss et al, 1998), which suggests extension and crustal thinning may have originated in the west and progressed in an easterly direction.

The NNE-SSW Bau Trend of Miocene intrusives is readily apparent in Figure 3-5. Virtually all the magnetic features (yellow to red), are intrusive stocks, either outcropping or at shallow depth under cover.

Note that the Bau Trend terminates to the north close to a separate belt of andesite plugs within an ENE-WSW striking fault.

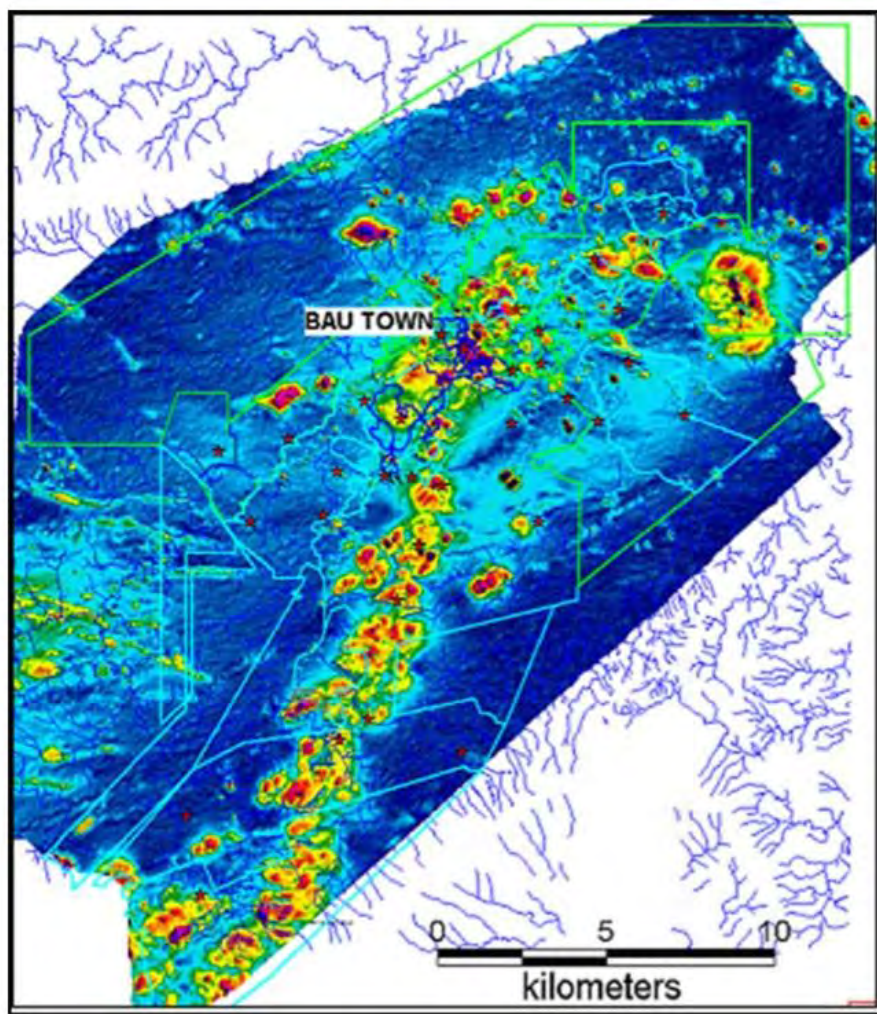


Figure 3-5: Filtered aeromagnetic plot (analytical signal derivative) over the Bau Goldfield



3.4.3 Structural settings

3.4.3.1 Regional Deformation Trends

Four deformation/folding events have been recognised in West Sarawak (Marjoribanks, 1986), (Schuh, 1993), and appear to be evident at Bau (Bobis, 1992). Figure 3-6 shows the main mapped faults in the Bau district correlated with labels to the major deformation events.

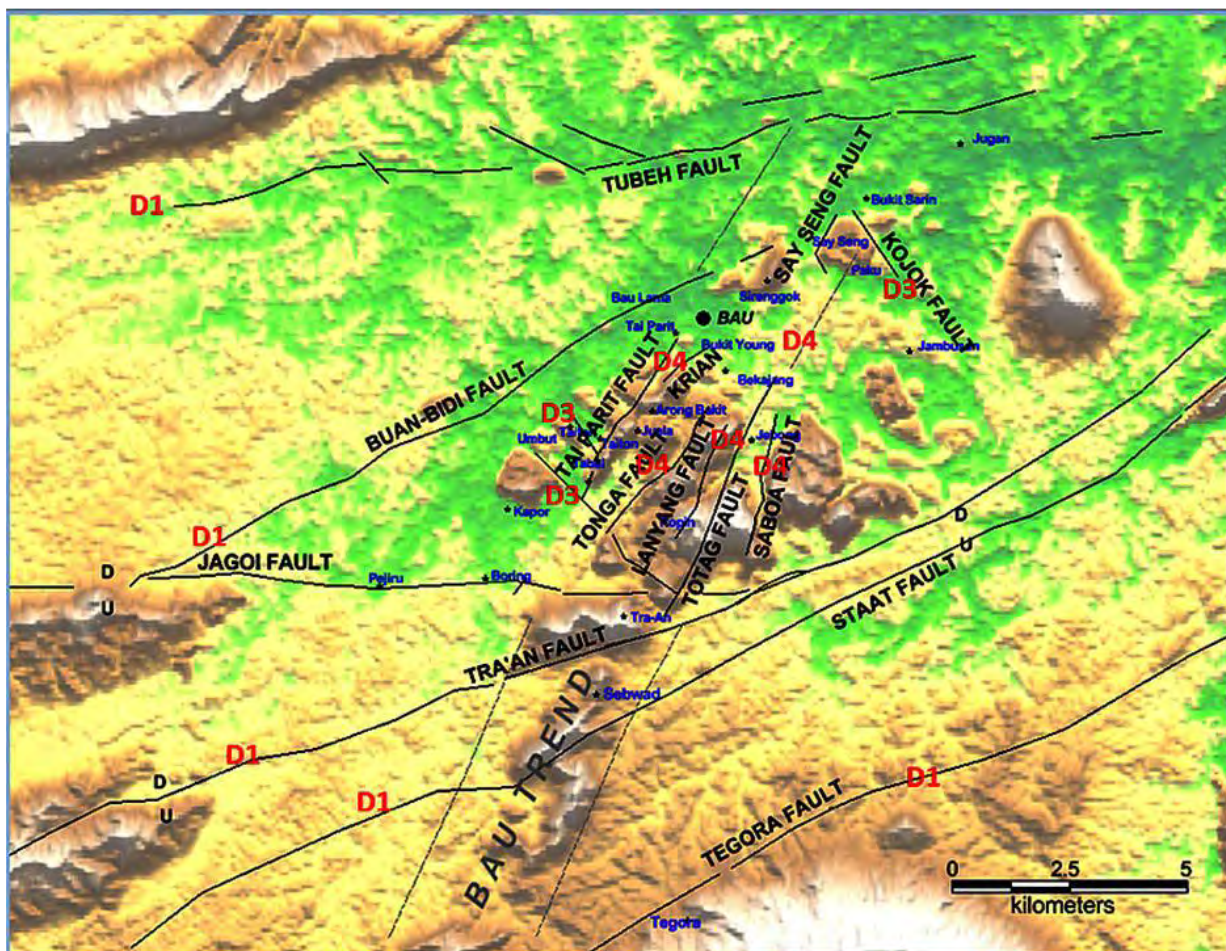


Figure 3-6: Mapped faults, deformation events overlain on digital elevation model of Bau.

These deformation events can be summarised as follows:

- **D1, Late Triassic - Early Jurassic:** An event that produced the ENE Jagoi Trend. NNW-SSE directed extension produced deep-seated ENE trending major faults which were active prior to the Early Jurassic and controlled the ascent of the Gunung Jagoi, and Kisam intrusions. These granodiorite plutons are coeval with the Serian Volcanics. D1 faults include the Tubeh, Buan-Bidi, Tra'an, Staat and Tegora Faults.
- **D2, Late Cretaceous:** SW-NE directed compressional deformation, due to Late Cretaceous subduction, resulted in tight upright folding, accretion and obduction of Pedawan Formation turbidites. D2 structures include low angle thrusting within the Pedawan Formation.
- **D3, Mid Eocene:** W-E to NW-SE compression produced gentle folding of Bungoh Range and Kayan Basin molasse basins to the south and NW of Bau and the Bau and Ropih anticlines. An extensive and conspicuous orthogonal fracture pattern was imprinted in the Bau Limestone in



response to this deformation event. During the mid-Miocene the resulting D3 fractures became conduits for rising hydrothermal solutions and were intruded by dacitic porphyry dykes. The Taiton, Johara, Gumbang and Kojok Faults are examples of D3 faults.

- **D4, Mid Miocene:** Right lateral transcurrent to trans-tensional faulting along the 200 km long NNE Bau Trend controlled the intrusion of mid-Miocene microgranodiorite to dacite porphyry intrusions into central Bau. Intersection of the larger D1 faults with the D4 Bau Trend structures has controlled the loci of the larger intrusive centres such as at Juala, Ropih, and Tra'an. Schuh, (1993) contends that farther south, Bau Trend intrusions are dominantly controlled by D3 faults. D4 structures include the Tai Parit, Krian, Say Seng, Tonga, Lanyang and Totag Faults amongst others.

These concepts have been reviewed in light of more recent interpretation of the Bau Anticline as a Pop-Up structure, (Mustard, 2001).

3.4.3.2 Bau Anticline

Pedawan Formation shales are up-arched along an ENE-WSW axis running through the Bau region and subsequent erosion has resulted in Bau Limestone now being exposed along the central crest of the arch. This structure, known as the Bau Anticline, consists of uplifted horsts of Bau Limestone which form steep karst ranges to the southwest and east of Bau township. Fault-bounded, dropped blocks (roofed by Pedawan Formation), also occur within the anticline. The anticline is up-domed to the maximum extent along steep faults over a 4 km long corridor running southwest of Bau. This corridor forms the central zone of the Bau Goldfield and is intensively intruded at shallow depth by granodioritic plutons, some of which are unexposed but inferred from geophysical evidence and mapped contact metamorphic haloes.

Along the faulted domal axis, the basal Krian unit of the Bau Limestone is exposed between the Tai Parit and Krian faults. Although the underlying, older, Serian Volcanics are not exposed in the Bau district, their presence at shallow depths has been confirmed from drilling.

3.4.3.3 Bau Trend

The Bau Trend is a linear trend of acid-intermediate felsic intrusives that occur through the Bau area, believed to be localised by a major NNE striking deep structural zone subject to tension during the Miocene. In Kalimantan, the main Tertiary basins are elongate WNW, parallel to the Lupar Line (a major fault system running through Western Borneo to Vietnam and regarded as a former subduction zone). The basins are intruded by the Sintang granitoids – correlatives of the Bau intrusives. Therefore, the Bau NNE intrusive trend may reflect an old basement transfer structure that was reactivated during the extension phase that initiated the development of these Tertiary Basins.

3.4.3.4 Faulting

The main fault directions in the district are north-northeast and northwest. Vertical displacement of at least 300 m has been determined for the north-northeast striking structures (from drilling at Tai Parit). Associated block faulting has elevated erosional horsts of exposed limestone forming prominent scarp-bounded ridges in contrast to down-thrown, dropped blocks across which the Pedawan Formation is preserved. The sediment blocks are typically gently dipping but locally can be severely disrupted. Dissolution of the top of the limestones by acid groundwater (and possibly acidic hydrothermal fluids),



has produced a karstic surface. This process has led to the development of collapse breccias at the limestone-shale contact.

3.4.3.5 Structural Model

From the mapped distribution of geological units and local structures, the central uplift within the Bau Anticline is better described as a block-faulted dome structure.

Pop-up structures can be described as strike-slip bounded pull-apart basins in reverse, as shown in Figure 3-7. In both cases the central area of vertical deformation occurs as a rhombic, or lozenge shaped block between sub-parallel strike-slip faults. In pull-apart basins the central block is under tensional strain due to the orientation of pre-existing tangential cross-faults being under tension. In the case of pop-ups, the tangential cross-faults are under compression.

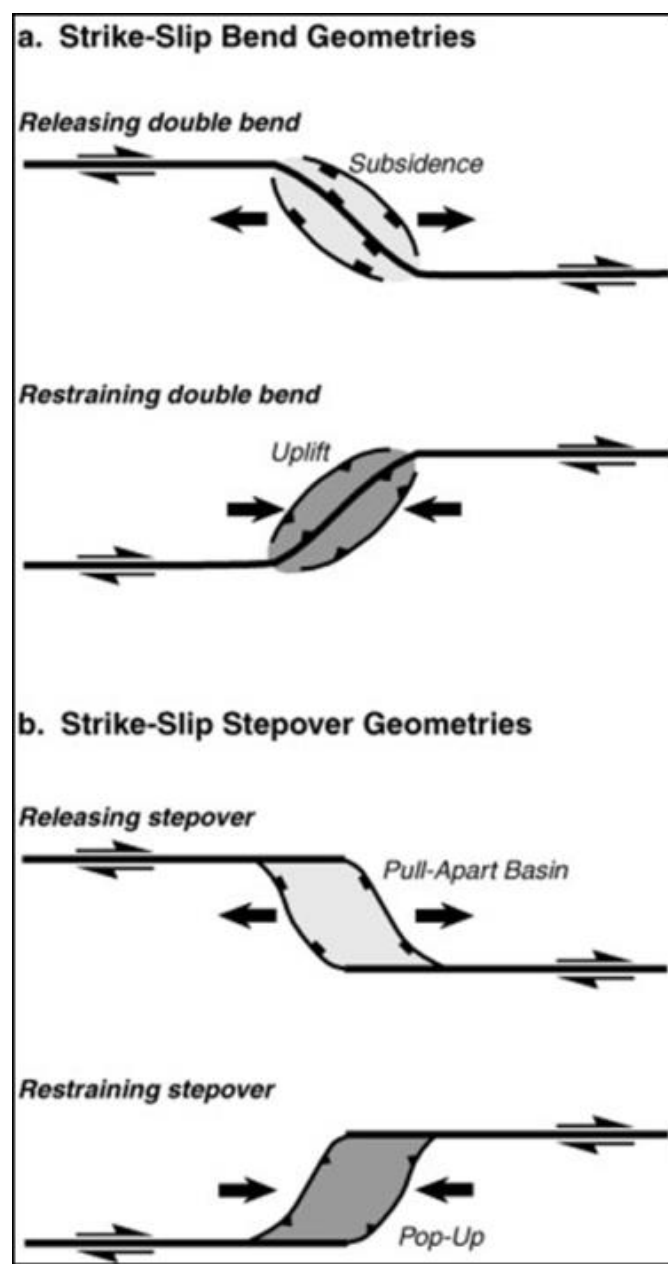


Figure 3-7: Strike-Slip geometries at Bau.



The central uplift block at Bau is an 8 km by 12 km rhombic shaped block of limestone (popup) that lies at the intersection of the north east trending Bau Anticline and a NNE striking zone of intrusives and is located between two major ENE striking structures, the Tubah and Staat Fault Zones.

McClay and Bonora, (2001) carried out experimental studies on the development of “pop-up” structures using sand box experimentation as depicted in Figure 3-8. The model bears a remarkable similarity to the morphology of the structure in the Bau Goldfield.

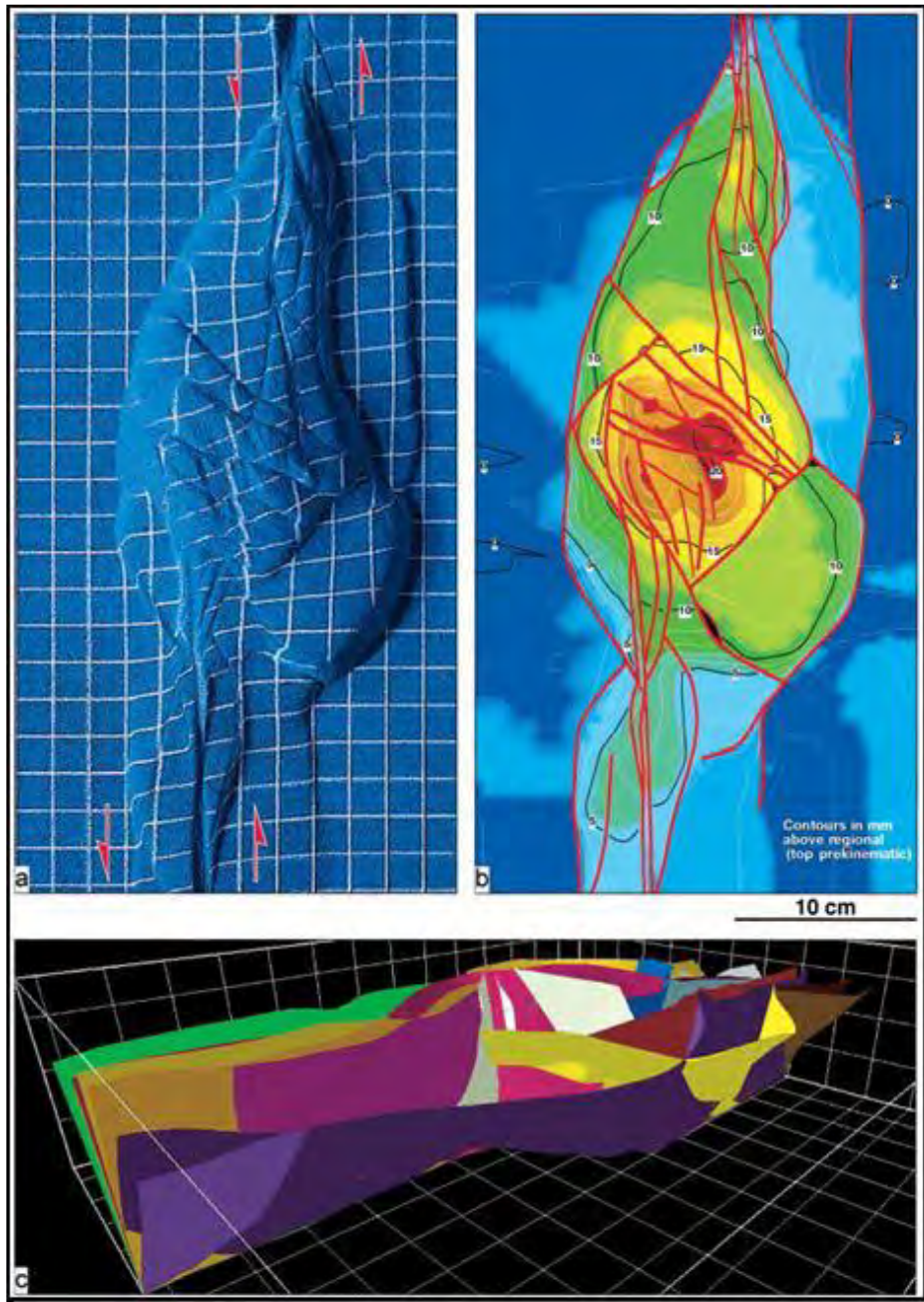


Figure 3-8: Surface model photograph (a), Upper surface model structure contours (b) & 3D structural model (c)

In McClay’s experimental models and type examples, the main faults lie subparallel (usually within 10° to 20°) to the strike of the principle displacement zone. This suggests that the main strike-slip fault direction in Bau is sub-parallel to the NNE striking structures and is probably the structure controlling the emplacement of the NNE striking line of intrusives, that extends south of and passes through Bau. McClay’s studies showed that the width and angle of the stepover along the strike-slip fault controls the



shape of the pop-up. The model that most closely resembles the sigmoidal shape of the pop-up in Bau is one where the stepover is at an angle of 150° to the main strike-slip fault direction.

The Bau pop-up has been dissected by NNE and northwest striking faults into a series of rhomboidal prisms. Many of the faults, particularly the northwest striking faults, also host intrusive dykes.

The highest point topographically and the greatest amount of vertical exposure of limestone at Bau lies in the centre of the pop-up (Mt. Kawa). From the centre to the margins of the pop-up there is a gradual, but stepped, decrease in topography and relative uplift of limestone. The rhombic shape of the pop-up, stepped topography and fault-controlled margins suggest faulting and not folding was the primary cause of uplift. The NNE striking faults are the dominant faults within the pop-up and appear to have had the most influence on the shapes of the limestone blocks and their uplift. The limestone cliff faces around the edge of the pop-up represent faults along which the limestone has been uplifted and may mark the edge to the pop-up.

The sets of NNE and northwest striking faults are known to extend from limestone into surrounding shale lithologies of the Bau Limestone and Pedawan Formation respectively (Mustard, 2001), but are difficult to identify because of the ductile style of deformation of the shale dominated Pedawan Formation, compared to the structurally incompetent limestone whose brittle response resulted in brittle open structures intruded by dykes and sills.

Some of the features unique to pop-up structures are:

- Curvilinear faults bounding the area of doming or uplift
- Dip of the bounding faults change along strike
- In a plan view, the overall shape of the pop-up area is a lozenge or rhombic shaped dome with doubly plunging anticlines
- Centre of the pop-up or area of most relative uplift occurs at the step-over
- From the centre to the outside of the pop-up, there is typically a gradual stepped decrease in relative uplift.

All these features can be observed at Bau (Mustard, 2001).

3.5 Mineralisation

The known deposits in the Bau Goldfield can be characterised by four distinctive gold mineralisation styles that exhibit both lateral and vertical geochemical and mineralogical zonation with respect to the Bau Trend intrusives. In general, these styles are:

- Sediment hosted disseminated gold mineralisation, e.g., Jugan, Bukit Sarin
- Silica replacement (jasperoid) and open space siliceous breccias, e.g., Tai Parit; Bukit Young Pit, Bekajang
- Mangano-calcite-quartz veins, e.g., Tai Ton; Pejiru, Kapor
- Magmatic – Hydrothermal porphyry related deposits with/without calc-silicate skarn, e.g., Sirenggok, Say Seng, Juala West.



It is noted that a number of the individual prospects exhibit elements of several of the recognised mineralisation styles.

These deposit styles have been likened to, and share characteristics with, the gold deposits of the Carlin Trend, Nevada, USA. They have a similar geological setting where deposits are commonly hosted in calcareous sediments, are Tertiary in age, where host rock permeability is important in focusing mineralisation, associated with deep faults, with Tertiary-aged dacitic intrusives, where solution collapse breccias are common and with a probable epithermal association, at least in part in the case of Bau.

Similarities in mineralisation style include silicic-argillic-carbonate hydrothermal alteration, fine grained arsenopyrite-pyrite gold ore common and similar trace element geochemistry, (As, Sb, Hg, Tl). Figure 3-9 shows a conceptualised sectional view of the relationship of the main deposit types in the Bau Goldfield.

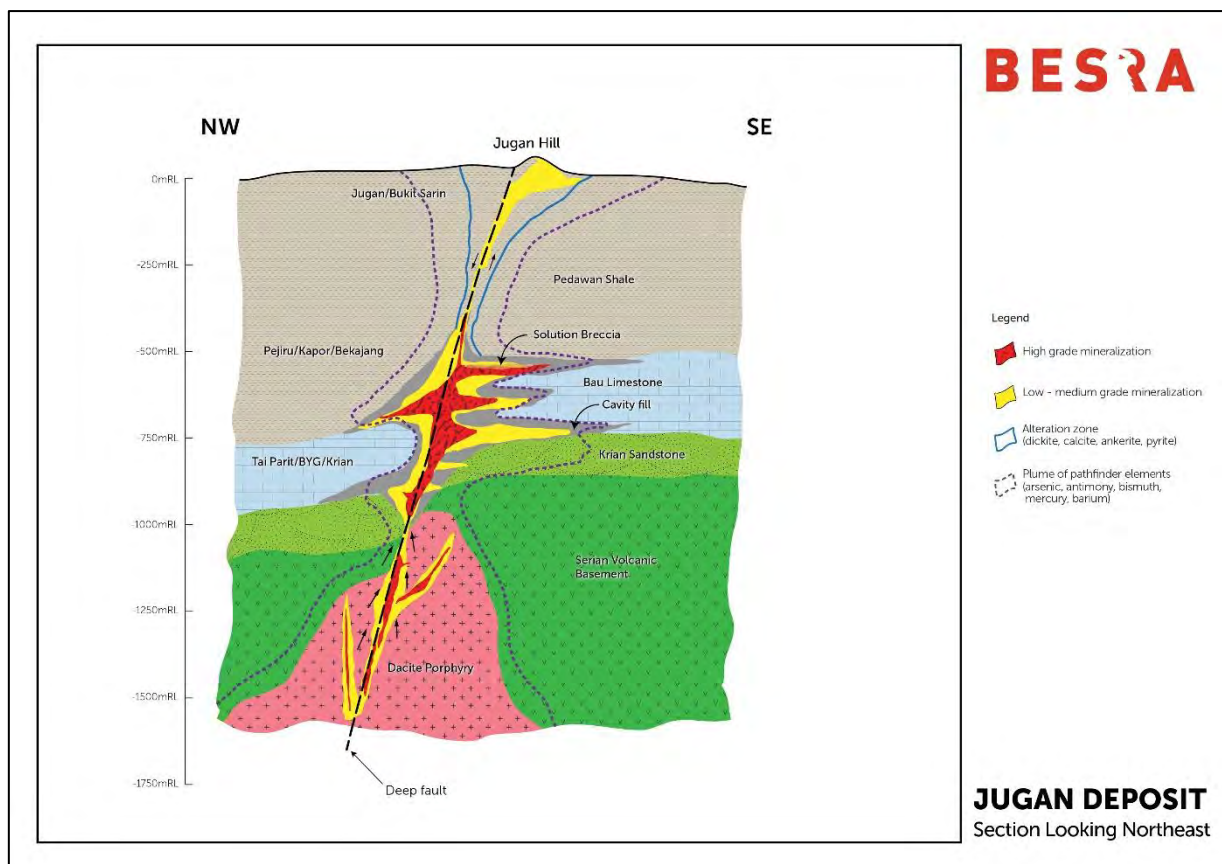


Figure 3-9: Generalised section of Bau deposit types with Jugan as the hypothetical example

Observed lateral zoning is interpreted to be related to the proximity to the Bau Trend felsic intrusives where they crop out in the up-domed portion of the Bau Limestone, (anticline axis of the Bau Anticline or Bau Pop-up).

The general trend outward from intrusive centres is a skarn/calc-silicate porphyry to silica rich mineralised breccias to silica replacement/calcite limestone contact to the more distal disseminated styles such as Jugan.

Similar zonation patterns have been observed vertically within deposits such as Tai Parit which is the only deposit to have been mined to any depth. This zoning pattern is exemplified in the fluid inclusion



temperature of formation zoning pattern developed by Schuh, (1993) and Percival et al, (1990), as shown in Figure 3-10.

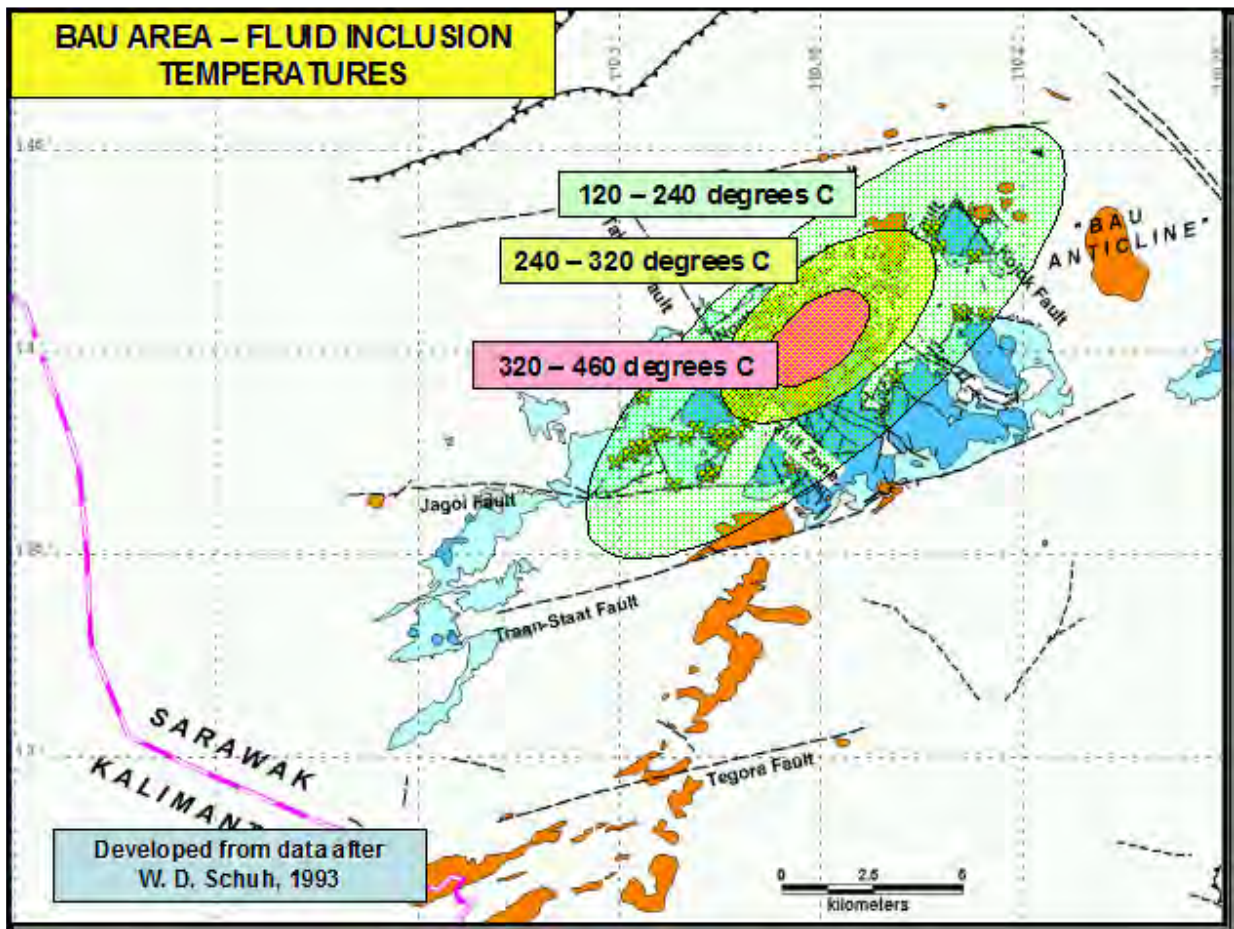


Figure 3-10: Lateral Fluid inclusion temperature zoning

Previous exploration has to some degree focused on ideas that the deposits in the central part of the field are less refractory due to the general observation that the deposits become more arsenopyrite rich further away from the intrusive centres as shown in Figure 3-11.

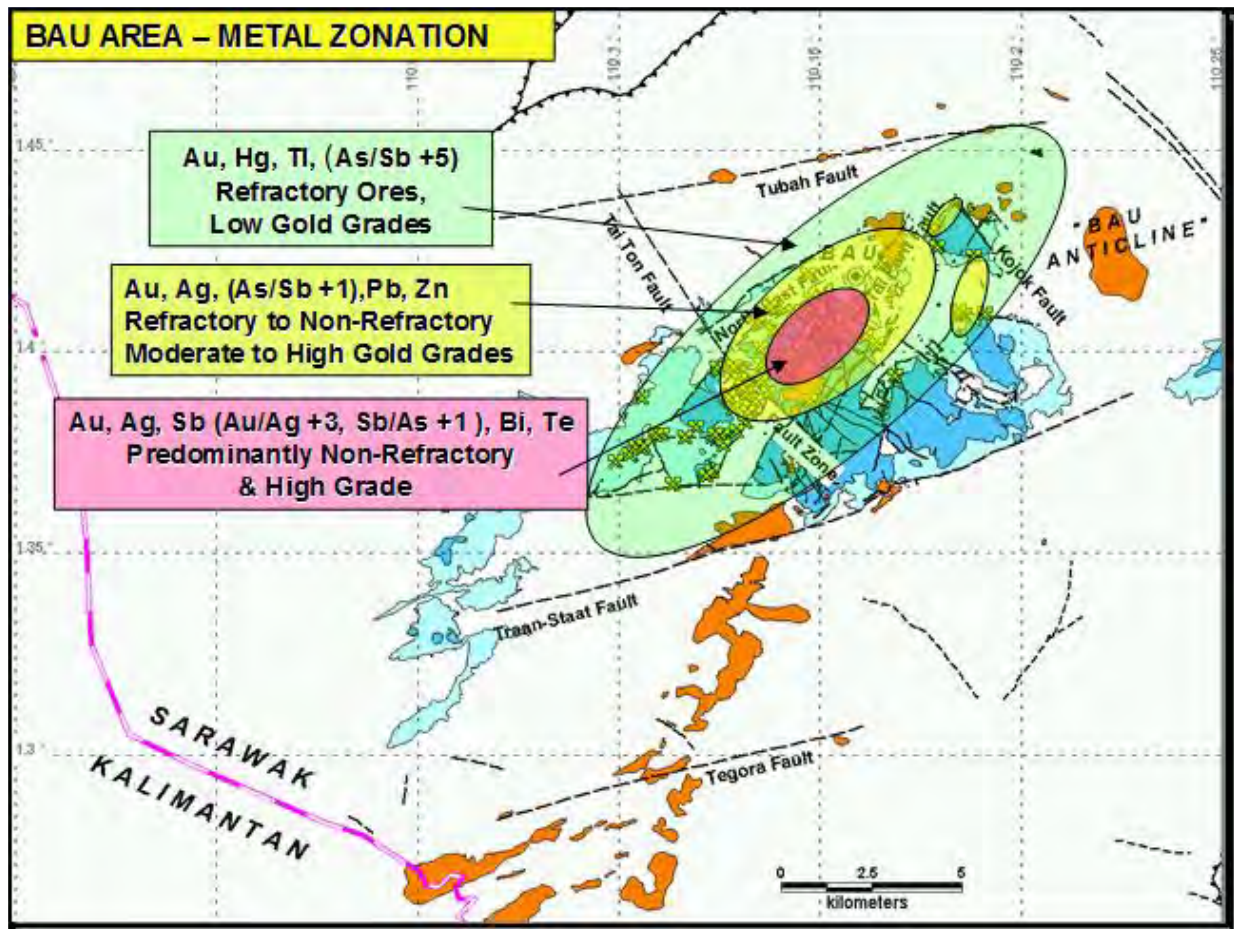


Figure 3-11: Bau district metal zonation and refractory distribution

There are two regional exploration projects that form part of the Besra Gold & Gladioli Enterprises Sdn Bhd Joint Venture. These are known as Block C and the Rawan Area (Gunong Rawan). They are located in the western corner of the State of Sarawak, East Malaysia, 25 km to 80 km south and southeast of Kuching City and accessible by the Kuching-Serian road.

The geology of both Block C and the Rawan Area is broadly similar to that of the Bau Goldfield. Both areas contain volcanic rocks and sediments (including limestone) intruded by belts of Miocene-age felsic intrusives. Gold mineralisation has been known to occur in Block C area for many decades, however, in the Rawan area, characterised by six major intrusive complexes running in an East-West line parallel to the Indonesian border, gold has only recently been discovered.

These areas represent longer-term exploration targets and will not form the focus of any material exploration activities by Besra in the foreseeable future.

3.6 Exploration and Resource Databases

There have been several companies involved with the Bau Gold Project since the 1980's whose data is incorporated and has been used in the compilation of databases used for the estimation of Mineral Resources. These are principally, Bukit Young Gold Mines, which mined Tai Parit, BYG pit, Taiton, Umbut and several other deposits in the district. Subsequently companies such as Gencor, Renison Goldfields, and BYGS/Menzies Gold all completed drilling and trenching programs across the Bau project.



Zedex Minerals became involved in the Bau Goldfield in late 2006 through its joint venture with Gladioli Enterprises Sdn Bhd and the formation of North Borneo Gold Sdn Bhd (NBG). NBG pursued a program comprising drilling, geological mapping, database collation, evaluation and resource modelling used to report Mineral Resources for the Bau project. With the merger between Besra Gold Inc. and Zedex Minerals in January 2010, Besra took over as operator of the joint venture and the exploration and development programs going forward at Bau.

A summary of the drilling considered in preparation of the Mineral Resource estimates is presented in Table 3-3.

Table 3-3 Bau Project Drilling Statistics

Sector	Drill Type	Number of Holes	Metres Drilled	% of Drill Metres	Average Depth (m)
Jugan	Diamond	170	25,450.95	72%	149.7
	RC	82	9,716	28%	118.5
	Total	252	35,166.95		139.6
Bekajang-Krian	Diamond	424	37,234.44	56%	87.8
	RC	310	28,953	44%	93.4
	Total	734	66,187.44		90.2
Taiton	Diamond	241	22,278.83	69%	92.4
	RC	120	9,841	31%	82.0
	Total	361	32,119.83		89.0
Sirenggok	Diamond	59	9,958.10	89%	168.8
	RC	13	1,170	11%	90.0
	Total	72	11,128.10		154.6
Pejiru	Diamond	22	2,574.81	5%	117.0
	RC	682	49,381.50	95%	72.4
	Total	704	51,956.31		73.8
Say Seng	Diamond	13	1,989.20	38%	153.0
	RC	26	3,281	62%	126.2
	Total	39	5,270.2		135.1
Grand Total		2,162	201,828.83		93.4

3.6.1 Data Verification

As part of the 2010 Technical Report Terra Mining Consultants/Stevens and Associates (TMCSA) described a data verification process in order to validate the following aspects of the data:

- Survey control – generation of a suitably accurate topographic surface, establishment of appropriate survey control points
- Drill hole and sample location – Validation of historic drill collars against check coordinates, capture of all NBG drill collars by registered surveyors using appropriate grid coordinates
- Geological logging – Representative core from all prospects was reviewed against lithological descriptions in the drill logs, and against those captured electronically
- Sample data – Check of hard copy reported results against electronic values



Cube has reviewed the processes described by Besra in validating the data used in the estimation of the resource block models. Based on the nature and quantum of checks described by TMCSA (Terra Mining Consultants Ltd., Stevens and Associates, 2010) it is Cube's opinion that the data is of sufficient confidence for use in estimation of mineral resources.

Cube completed independent review of geological and assay data during the site visit completed in December 2018. This involved selection of material intercepts within key prospects and checking of digital results against hard copy reports. No issues were identified by Cube during this process.

3.6.2 Geological Logging and Sample Methods

Descriptions of logging and sampling procedures are provided in the Olympus Pacific Minerals 2010 Technical Report (Terra Mining Consultants Ltd., Stevens and Associates, 2010), and recounted and expanded upon in the Besra Feasibility report (Besra Gold Inc., 2013). These procedures are summarised as being appropriate with respect to the accepted standards of the time in which the drilling was completed.

As expected, the procedures applied to the logging and sampling completed in the earlier stages of the project are generally below that which would be considered appropriate by current standards. In Cube's opinion this is a common factor related to projects with extensive historical work. Recent procedures described by Besra are considered by Cube to be appropriate and have been used to validate or otherwise historical results where possible via the use of twinned holes and the review and update of geological descriptions.

3.6.3 Sample Analysis

Initially, BYG set up the mine site laboratory with an atomic absorption spectroscopy (AAS) facility only. Once the refractory nature of the gold at Bau was recognised, BYG routinely did a fire assay, followed by a repeat fire assay after roasting for either 0.5 hrs or 1 hr, and later expanded to a fire assay with an AAS finish. During the 1980's samples were generally reported in pennyweights.

TCMSA reported that issues arose with some of the early fire assay data from the BYG laboratory on converting from pennyweights to grams, and with the background/detection limits used (Terra Mining Consultants Ltd., Stevens and Associates, 2010). In these instances, the fire assay results were replaced with the AAS results, representing a conservative approach as the AAS assays were generally lower than respective fire assay results due to the refractory nature of mineralisation.

BYG operated the mine laboratory essentially for grade control and exploration assaying purposes. Menzies had identified an issue with contamination of their RC samples in the BYG lab, especially at the lower range of assay values. Thereafter, Menzies used the BYG lab for their 4 metre composite samples only and sent any samples assaying more than 0.5 g/t Au to Assaycorp in Australia and later in Kuching.

Issues were also raised with potential smearing of values in the RC drilling at Pejiru when comparative results between twinned diamond and RC holes were examined, especially below the water table. TCMSA reported that the issue of smearing in RC results remains unresolved and was one reason why the resources at Pejiru have been categorised as Inferred (Besra Gold Inc., 2013).



All sample data since 2010 has been assayed by SGS in Bau or Perth, with gold assays completed using 50 g charge with AAS finish. SGS has achieved international accreditation and employ standard internal quality control checks throughout the analysis process.

In Cube's opinion the confidence of assay results reported prior to the use of SGS is moderate. Issues with incomplete digestion of refractory samples and conversion issues between units are difficult to quantify and affect the overall confidence of the mineral resource estimates.

Cube reviewed the assay data for each prospect graphically by section and independently identified issues with apparent smearing of mineralisation in RC holes compared to twinned diamond core. The extent of this smearing is only defined where RC holes are twinned leading to lower confidence assigned to reported RC samples. While confidence has been assigned to reflect this uncertainty, the impact on modelled volumes based on down hole intercepts is not defined and remains a risk to reported resources.

3.6.4 Quality Assurance and Quality Control

3.6.4.1 Prior to 2007

The QAQC procedures applicable to assays prior to 2007 are poorly recorded with limited results available for review.

3.6.4.2 2007 to 2009

For the period 2007 to 2009 NBG implemented QAQC processes involving submission of a homogenised mineralised sample inserted into sample batches, which was referred to as a standard, although it was not certified. Additional standards were reported from internal laboratory processes employed by the MAS Laboratory in Thailand.

Charts presented in the feasibility document (Besra Gold Inc., 2013) indicate results for both the inserted and laboratory standards are accurate but not precise, with a broad spread of results around the expected value.

Cube considers the use of a non-certified standard to not be aligned with industry practice even with consideration of the historic nature of analysis. It is acknowledged however that use of some standard control is preferred over none.

A process of pulp duplicate analysis was employed, with every tenth pulp re-analysed using a unique sample number. Results show good repeatability for the duplicate pulp result against the original sample.

The use of pulp duplicates is recognised as a check on the final analysis procedures only and does not allow quantification of potential issues with sample preparation and sub-sampling, limiting their usefulness.

Umpire samples were submitted to ALS in Orange, Australia for the NBG drilled holes at Jugan, and compared against the MAS reported values. Results showed an acceptable correlation between original and check samples.



3.6.4.3 2010 Onwards

Since 2010 NBG have introduced industry standard protocols for QAQC procedures involving the insertion of certified standards, blank samples, umpire sampling, field duplicates from the coarse crushed material and preparation duplicates from the pulverised splits. In addition, SGS supplied NBG an analysis on a monthly basis of the laboratory's performance with respect to their own internal QAQC procedures.

Certified reference material (CRM) is inserted into the sample stream at a ratio of 1:30. The CRMs are sourced from Rocklabs New Zealand, with a variety of standards used of different grades. Rocklabs report control limits as based on the 95% confidence interval. Control charts are developed using these trigger limits for all CRM samples submitted. Control charts are developed for the relevant standards and are presented in Figure 3-12 to Figure 3-16.

Review of the charts suggests the presence of sample results that potentially reflect mis-identified standards. Notwithstanding this, the general trend observed for all standards is a constant under-reporting of gold values against the expected value. Results frequently lie outside of the 95% confidence interval control limit with the results for standards SG52 and SN60 most consistently reporting low.

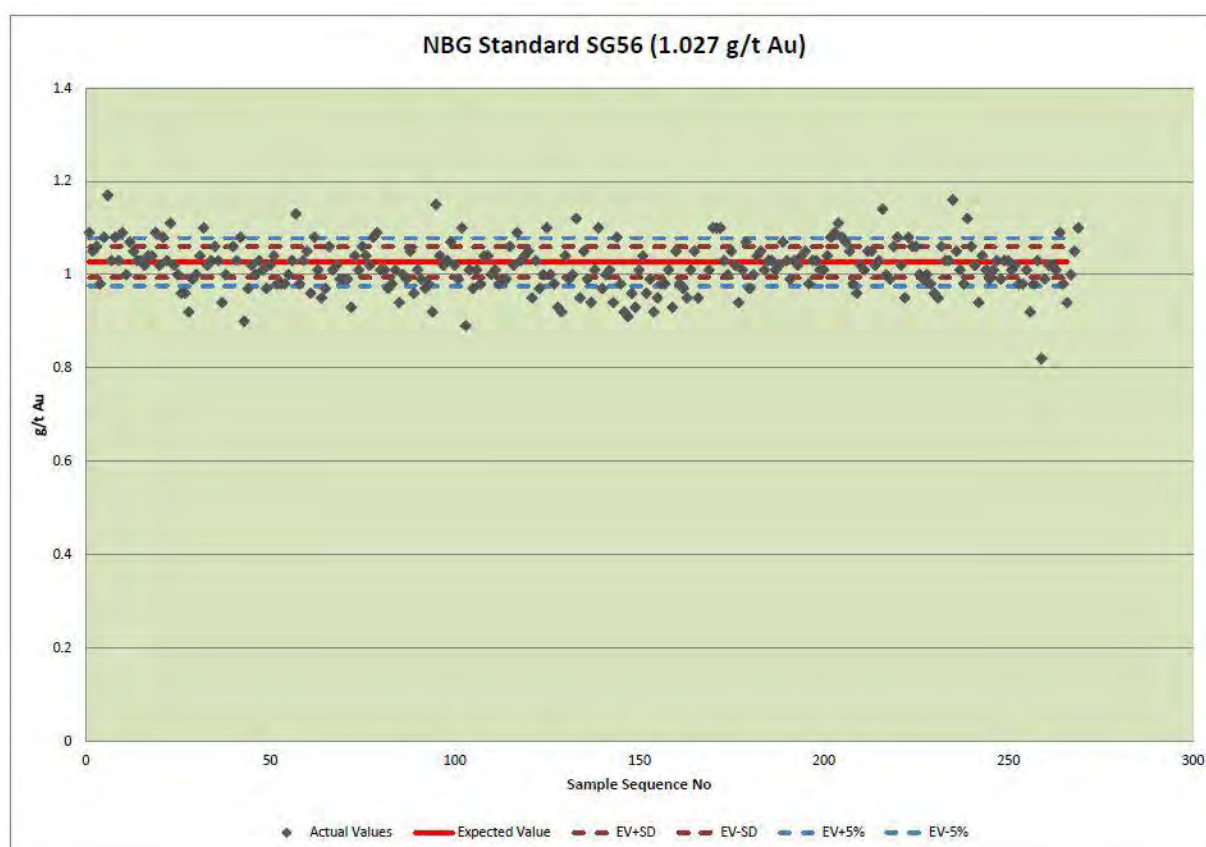


Figure 3-12: Certified reference material SG56 – Control Chart

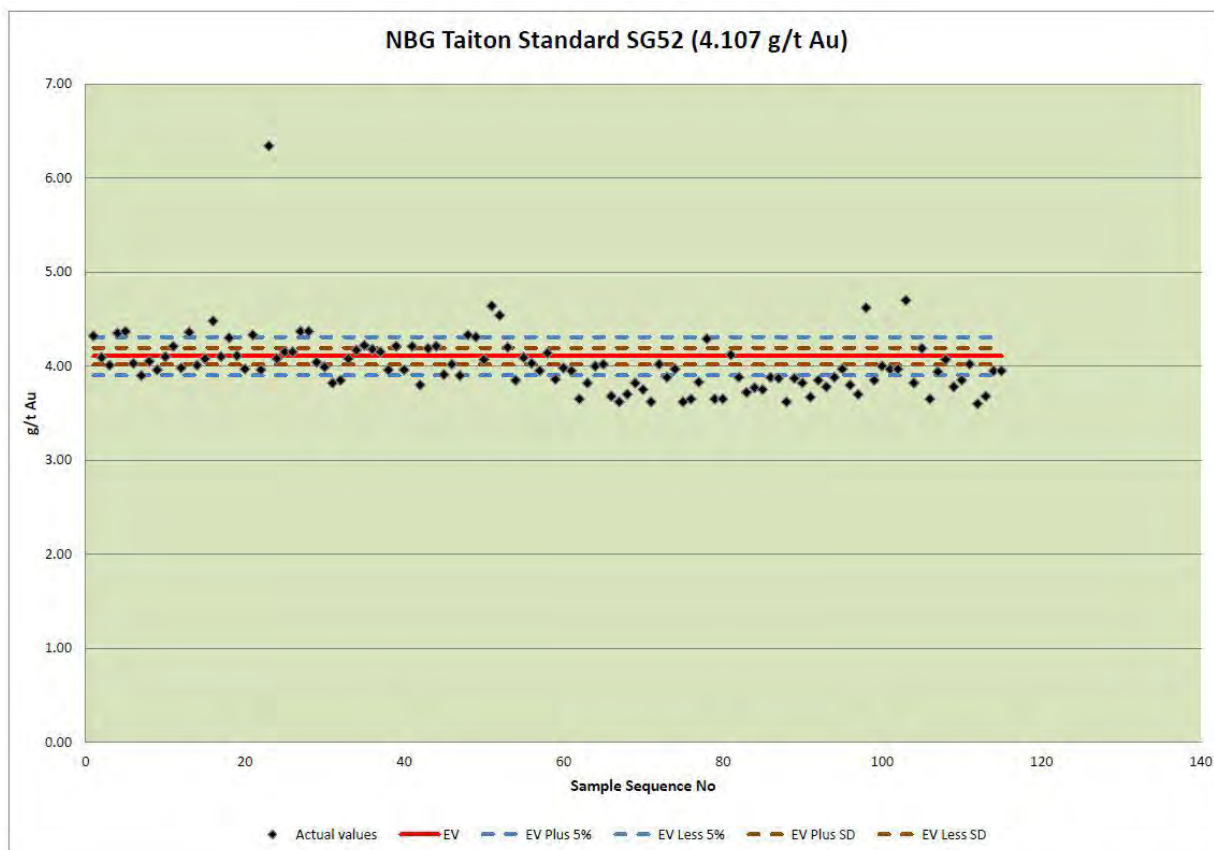


Figure 3-13: Certified reference material SG52 – Control Chart

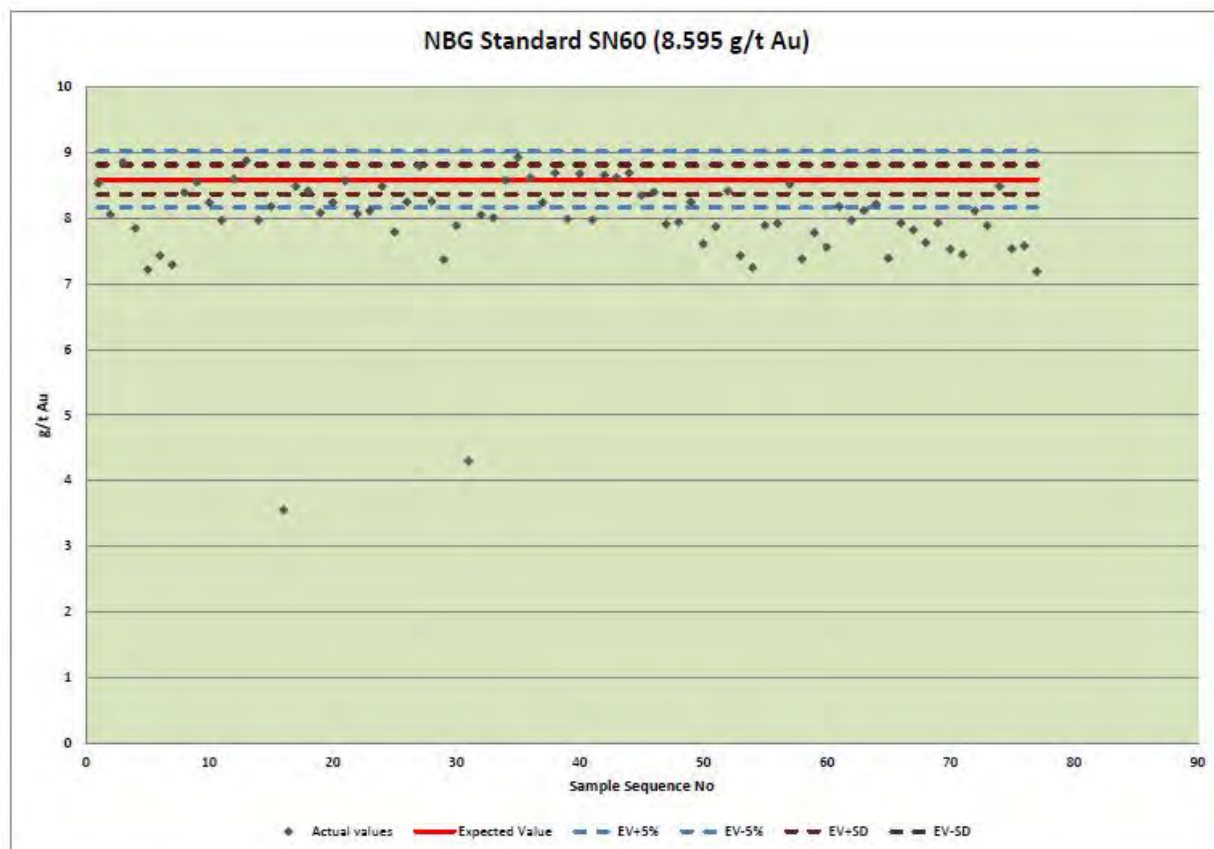


Figure 3-14: Certified reference material SN60 – Control Chart

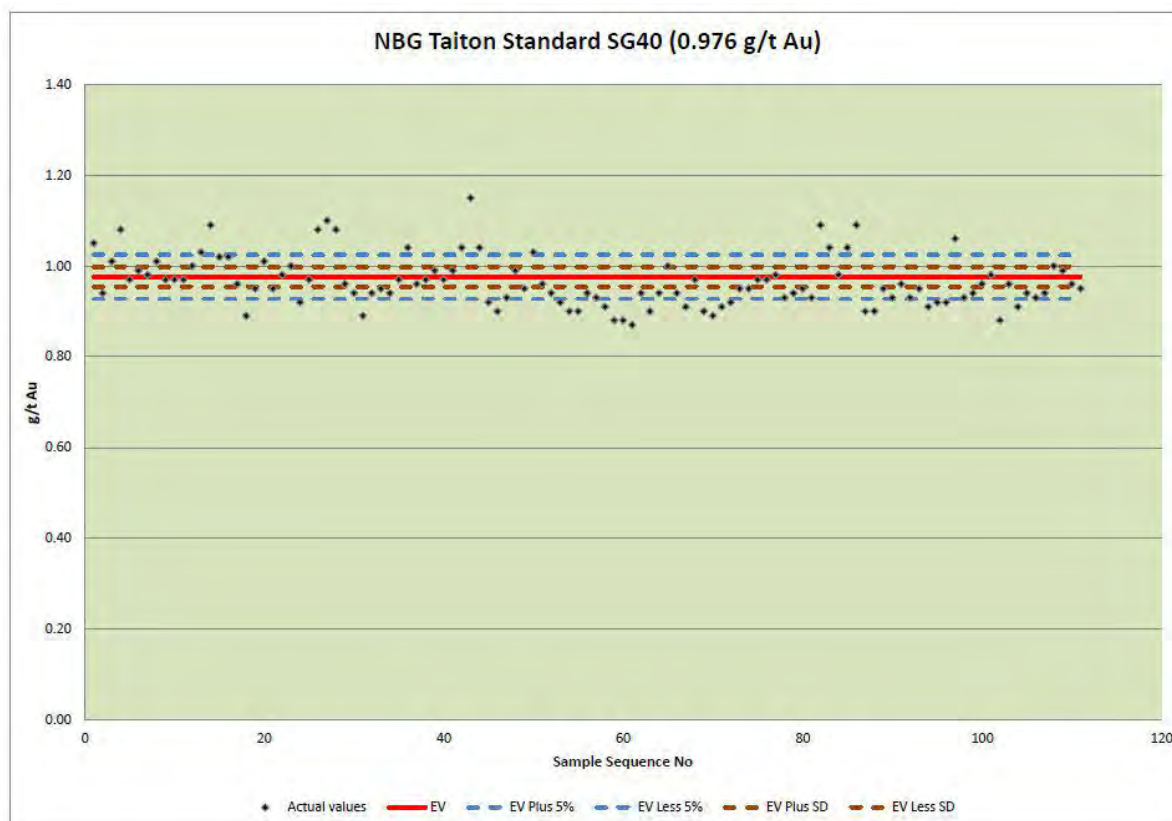


Figure 3-15: Certified reference material SG40 – Control Chart

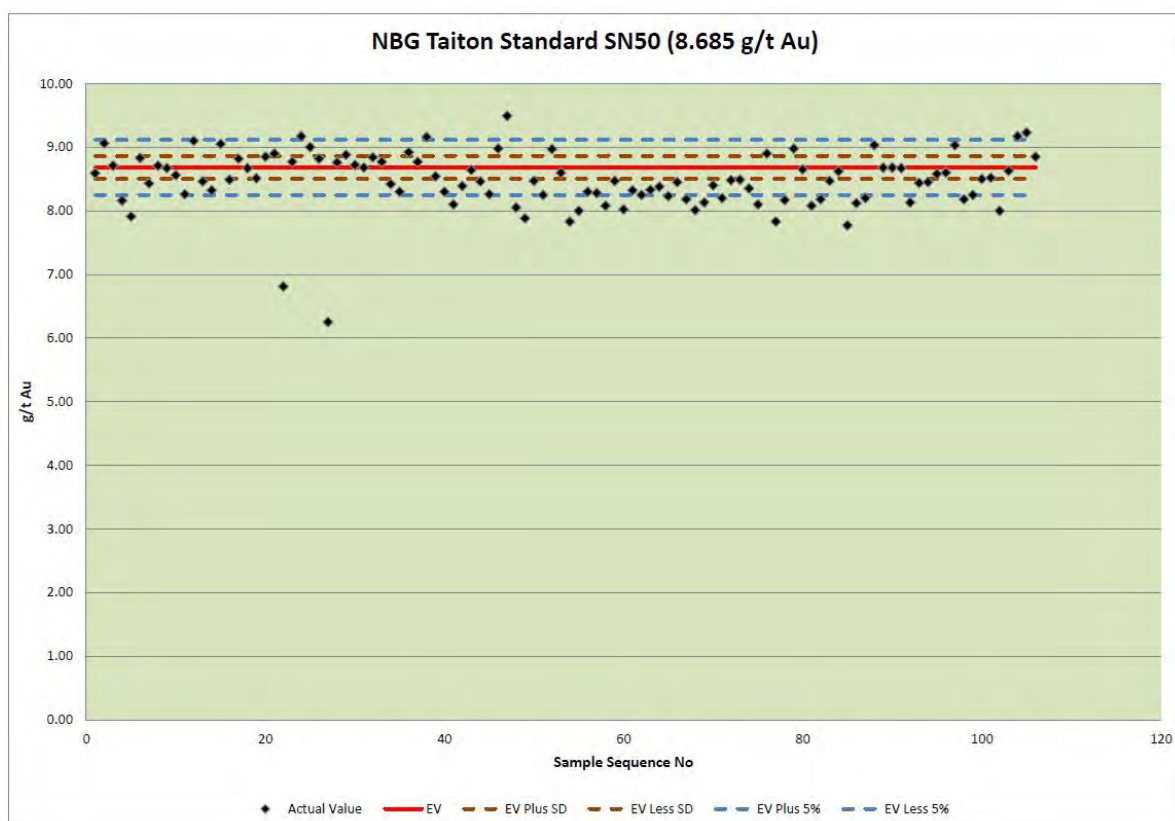




Figure 3-16: Certified reference material SN50 – Control Chart

Cube independently generated CRM control charts for results within the Jugan prospect. The results compared well to the control charts presented in the feasibility report (Besra Gold Inc., 2013).

In Cube's opinion the performance of the CRM samples is outside the industry standard tolerance, and consistently outside of the stated control limits reported on the standard certification documentation. The observed negative bias of reported assays against the expected value indicates other reported results may be similarly biased low. While this remains a risk to the mineral resource and estimated gold grades, it is recognised that a low bias in reported results will generally lead to a conservative estimate of grades. While an issue, this situation is less significant than results which indicate a positive bias in sample results against expected values.

Coarse crush duplicates and pulp duplicates are performed for every tenth sample. This provides information on reproducibility, the effectiveness of homogenisation at the crushing stage and pulverising stage, and information on distribution of gold content in the sample.

Cube considers the results as presented as acceptable with a strong correlation between the original and coarse and pulp duplicate assay results.

Blanks are inserted at a frequency of one in every 30 samples. The blank material is silica sand sourced from a quarry. Blanks provide information on the sample preparation quality and help identify sample contamination.

Cube considers the results of the blank analysis as presented as acceptable. Limited samples show minor indication of sample contamination however results remain well below the nominal mineralisation cut-off.

Approximately 10% of sample pulps are sent to a separate independent laboratory for umpire analysis and the results compared. The laboratory used is MAS in Thailand. The results for the Jugan prospect are presented in Figure 3-17 below.

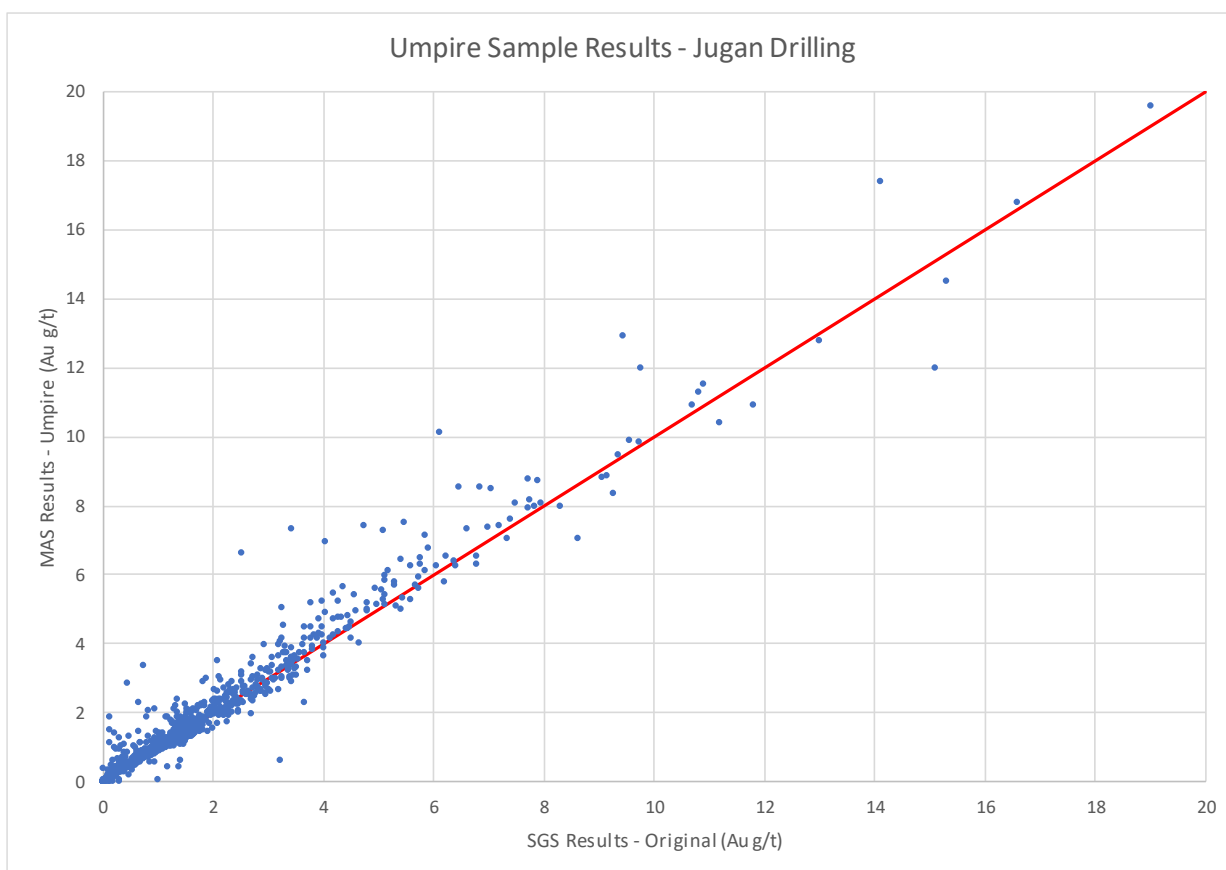


Figure 3-17: Umpire Sample Results – SGS (original) versus MAS (umpire)

The overall trend is for the MAS results to be on average higher than the SGS results. In Cube's view this further confirms the trend indicated in the CRM performance that gold grades from the SGS laboratory are generally biased low. As described previously, this will lead to a conservative grade estimate of the reported mineral resources.



4.0 JUGAN SECTOR

4.1 Property Description

The Jugan prospect is situated approximately seven kilometres north of the town of Bau and is a single deposit outcropping as a small hillock. Jugan is the only known prospect to be hosted solely in the Pedawan Formation. The Jugan prospect is located on Mining Leases 140 and 01/2013/1D as well as Mining Certificate MC KD/01/1994. Title details of these concessions are contained in Attachment H of the Prospectus.

4.2 Geological Setting and Mineralisation Styles

The deposit is hosted within the Pedawan Formation, predominantly in highly deformed and sheared carbonaceous shale, laminated shales, mudstones and interbeds of fine to medium grained sandstone. The shearing and fold axes are dominantly northeast trending with the gold mineralisation forming within acicular arsenopyrite and arsenian pyrite disseminated throughout the sediments and within carbonate (ankeritic) veinlet stockworks.

Typically, the arsenopyrite content ranges between 1% and 5% and arsenian pyrite from trace to 5%. Overall sulphide content in the ore zone can be in the 5% to 7% range. Sulphide content and gold grade have a close correlation. The deposit has been drilled to approximately 350 metres vertically without the base of the Pedawan Formation being intersected. Several northwest trending dykes of post mineral micro-granodiorite porphyry transect the ore zone and are invariably strongly hydrothermally altered.

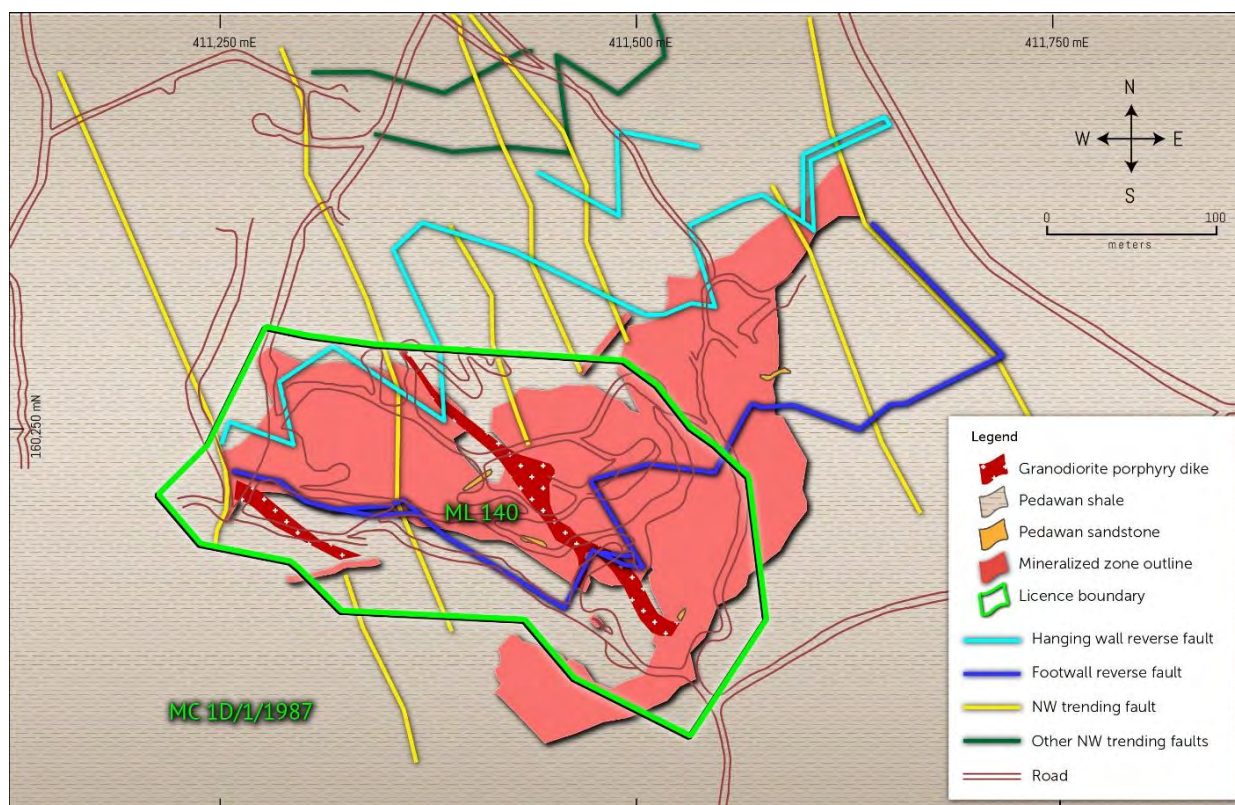


Figure 4-1: Surface outline of gold mineralisation at Jugan



The currently defined resource is largely constrained between hanging wall and footwall shears that strike NE-SW and dip between 55° and 75° to the northwest. In addition, a number of NW-SE trending shear zones have been identified, some of which appear to be post mineralisation, although they may have been developed prior to, or during, the mineralising event. There is an interpreted dextral sense of movement on these which opens the possibility of offset extensions and repetitions of the deposit. A well-developed NW-SE trending shear is interpreted to dip at approximately 70° to the northeast and appears to cut off the orebody.

The drill program has helped define a higher-grade zone that plunges northeast within the plane of the northwest dipping orebody. This correlates with a slight increase in incipient silicification and sulphide content. Mineralisation remains open at depth and to the northeast.

Structural analysis by NBG geologists has identified that in the eastern part of the orebody there may be a displacement to the ESE by dextral-movement of the traversing NW-fault. This is based on analysis of oriented drill core and interpretation, but no direct evidence exists at this time.

Figure 4-2 to Figure 4-3 show the geometry of the orebody and main structural elements in 3D.

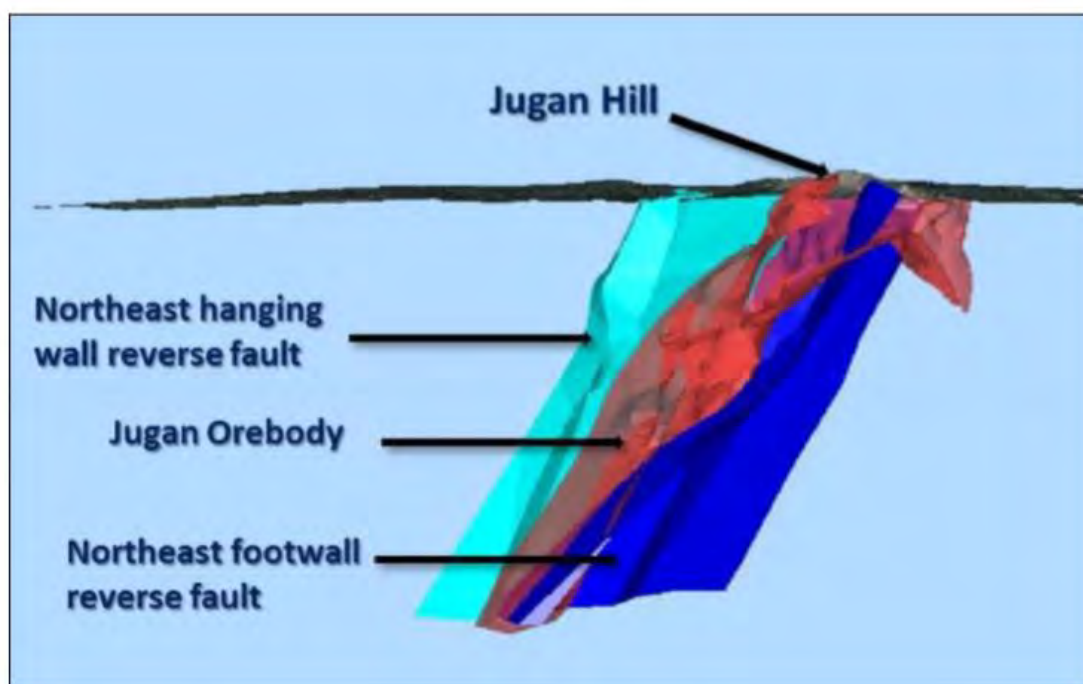


Figure 4-2: 3D view of Jugan orebody & NE faults looking NW

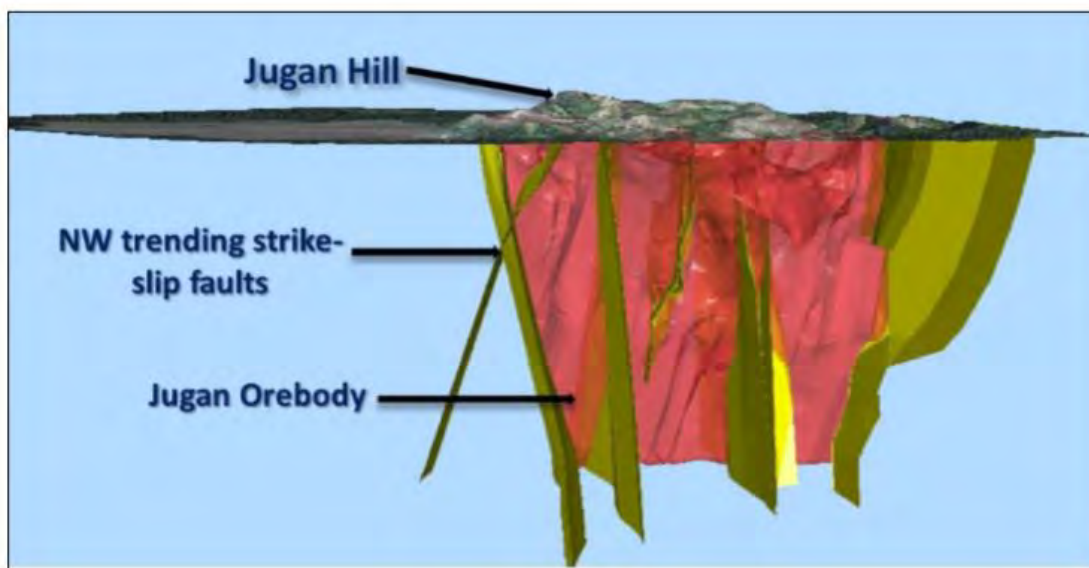


Figure 4-3: 3D view of Jugan orebody & NW faults looking NE

4.3 Previous Exploration

Exploration activities at Jugan have been numerous and varied. Olympus prepared a summary memo outlining the primary mineralised structures for epithermal mineralisation across the Bau district and discussed the implications for the Jugan area mineralisation (Banks, 2011). The memo was prepared in 2011 and provided support for work completed by earlier authors focussed on the Bau area, identifying the NNE striking Bau Trend as a key control on mineralisation. These findings have been used to inform the structural model discussed in Section 3.4.3.

A trenching program was completed in 2011 with the objective to confirm historic trench sample results, and to delineate the extension and limits of mineralisation (Go & Papango, 2011). A total of eight trenches were completed for a total distance of approximately 746 metres, with 756 samples collected (Figure 4-4). The trenching program revealed that historic trench data are reliable and gold mineralisation is present within the area except within the intrusive dykes.



Figure 4-4: Example of Trenching at Jugan Hill

In 2012 a student from the University of Tasmania completed an honours thesis on the Jugan Hill deposit (Goh, 2012). The thesis focussed on the geological and geochemical controls on gold mineralisation, with particular focus on the micro-scale gold mineralisation within the sulphides. One of the key outcomes of the thesis was the development of an integrated model based on the laboratory and field data to explain the origin and environment of ore formation (Goh, 2012).

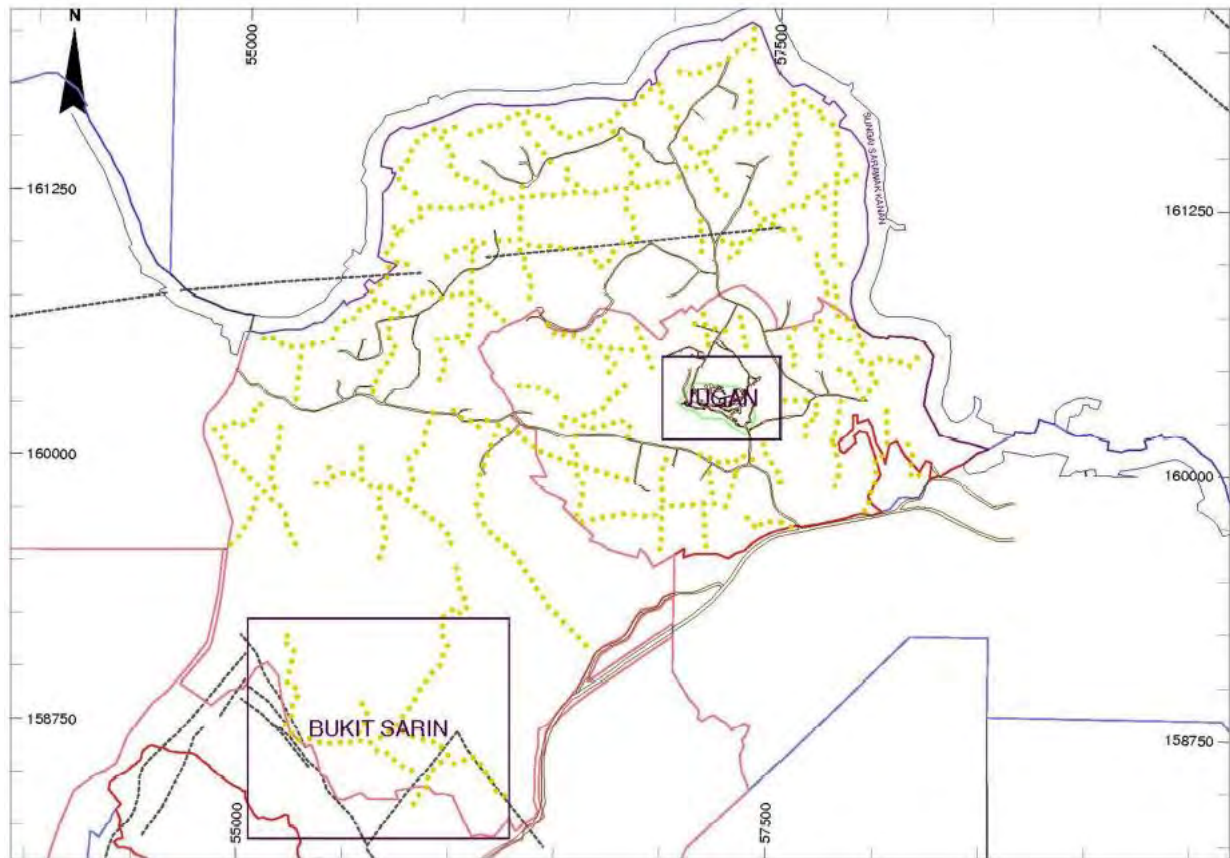


Figure 4-6: Jugan Area Ridge and Spur Sample Locations

In January 2014 Besra completed a series of follow up studies based on the identified anomalies of the 2013 IP survey. This included grid soil sampling, ground truthing, geological mapping, and rock chip sampling. A total of 95 samples were collected, however only three returned results with significant gold assays. At the end of the program an updated geological map of the area was produced with some explanations on the relations between the geology mapping observations and the IP anomalies.

While the presence of altered intrusive or thick sandstone units in the anomaly areas were possibly responsible for the strong resistivity, together with cultural features (swamps and fish ponds), the mapping and sampling did reveal several gold anomalies, indicating high exploration potential (James & Molujin, 2014)

4.4 Historical Production

There has been no historical production reported in the Jugan prospect area.

4.5 Mineral Resources

The most recent mineral resource estimate for Jugan sector was compiled by Besra in 2012 following the resource drilling campaign carried out in 2012. This utilised information determined by Terra Mining Consultants/Stevens & Associates (TMCSA) for the 2010 resource estimate, and included the review, validation and incorporation of all historic and recent drilling within the Jugan areas, including geological re-interpretation. Estimation has been undertaken for gold, arsenic, iron, and sulphur, with only gold results reported. A summary of the existing mineral resource is tabulated below (Table 4-1).

Table 4-1: Reported Mineral Resources for the Jugan Sector (effective November 2012¹)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Jugan	Jugan	Measured	0.5	3,405,600	1.52
		Indicated	0.5	14,505,700	1.51
		Inferred	0.5	1,774,000	1.57

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube was provided the block model, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by TMCSA for the 2010 estimate and updated by Besra in 2012.

A data validation, cross checking and rectification process was undertaken prior to all resource modelling to verify all data and sources as best as possible, particularly with respect to the historic data.

Historical documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format were reviewed.

The drill hole information used for the 2012 estimate consisted of a total of 252 holes for 35,166.95 metres with an additional 55 trenches for 1,879.63 metres. The drill holes consisted of 82 RC holes and 170 diamond cored holes in BQ, NQ, HQ & PQ sizes. All holes drilled in the 2011 and 2012 drilling programs were diamond cored at PQ (collar) and HQ sizes. On two occasions the core was reduced to NQ due to difficult drilling conditions.

It is generally acknowledged that the quality of samples derived from processes such as trenching and costeaning is lower than the quality of sampling derived from standard industry drilling processes using appropriate quality controls. Taking this into account, Cube suggests Besra consider excluding the trench data from the resource estimation process and assessing the subsequent impact on the reported resources. Given the restriction of the trench data to the natural surface, and the significant down-dip extensions of the modelled mineralisation, Cube does not consider that inclusion of the trench samples will have a material impact on the reported resource.

¹ In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Jugan has been reviewed and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), and takes responsibility for the integrity of data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated at the topographic surface.

The un-mineralised granodiorite dykes were also modelled and coded into the model separately to exclude estimation of gold grades into these areas.

Cube has reviewed the mineralisation domains developed for the Jugan block model. Cube considers the interpretation of domains within these prospects appropriate based on the drill hole data provided.

Besra completed sample statistics for the Jugan data and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to select an appropriate grade cap for use in the gold estimate, namely 9.75 g/t Au.

The gold grade distribution was reviewed and considered to be broadly log-normal in behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that define the strike, dip and dip direction. These semi-variograms were used to determine the nugget, sill values and ranges. A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions.

The modelled log semi-variogram values were back calculated to normal semi-variograms. The standardised back transformed nugget value was relatively high at 0.34, with the range of the second structure modelled at 80 metres.

Ordinary Kriging (OK) was used to estimate gold grades into parent cells of 5 m X x 5 m Y x 2.5 m Z. Besra reported the search parameters were derived from the variogram analysis. Search distances for the first pass were set at the variogram range of the second structure, with a second pass doubling the search distances of the first. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.

In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell sizes applied to the respective models are smaller than the average drill hole spacing would dictate. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.



Density values recorded in the data were used to estimate bulk density into the resource model using the inverse distance (ID^2) technique, with the search radius set large enough to fill the model blocks. The resultant average density as a result of this interpolation was reported at 2.64 g/cm³.

While it is assumed they have been, the report does not describe whether the density values interpolated were differentiated between the mineralised domains and the barren granodiorite. Cube considers the impact of not separating the density estimate by lithology to be a low risk to the reported resource.

Validation of the block estimates was done by application of a check estimate using inverse distance to the power of two (ID^2), with estimation parameters used as for the OK estimates. The results are described as being acceptable allowing for differences as a result of the estimation technique. Additionally, the estimate was validated by visual review of drill holes against estimated blocks by plan and section.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however Cube acknowledges it as a low risk.

The resource for the Jugan prospect has been classified into the Measured, Indicated and Inferred categories. Initial assignment was based on the estimation pass, with Indicated assigned to blocks filled in the first pass and Inferred to those filled in the second. Blocks within the upper portions of the Indicated category were reviewed and considering the drill density, surface trenching results, and outcropping mineralisation, were classified into the Measured category up to a depth of -20 metres (approximately 50 to 60 metres below natural surface).

Assignment of resource classification should consider a range of criteria including drill density, sample quality, sample types, geological confidence, mineralisation continuity, estimation statistics, and model validation results. While it is unclear whether all aspects identified were considered, the adjustment to the classification assignment for the Jugan resource based on sample confidence and drill density is appropriate in Cube's opinion. Further review of the classification assignment identifies areas classified as Indicated with single drill hole support. In Cube's opinion this is optimistic as mineralisation continuity is not demonstrated. Given the relative contribution of these areas, the risk to the resource is considered low.

4.6 Exploration Potential

Review of the drilling and the current interpretation suggests that the Jugan mineralisation remains open at depth and to the north east however, is likely to be influenced by the actual position of the terminating faults within the area. There is some potential that mineralisation has been displaced by the traversing northwest fault, however this is yet to be confirmed.

More regionally, the soil geochemical sampling identified a series of soil anomalies whereby identified pathfinder elements (being arsenic, antimony, bismuth, sulphur and thallium) showed a similar geochemical signature to soil results obtained over the Jugan mineralisation. The primary target



developed from this work is termed Anomaly 12 (A12) and is located approximately 1.5 kilometres south west of Jugan Hill. Additionally, geophysical surveys over the A12 area have similar responses to those from the Jugan mineralisation and may indicate the surface dimensions and depth extensions of a blind mineralised zone (Figure 4-7).

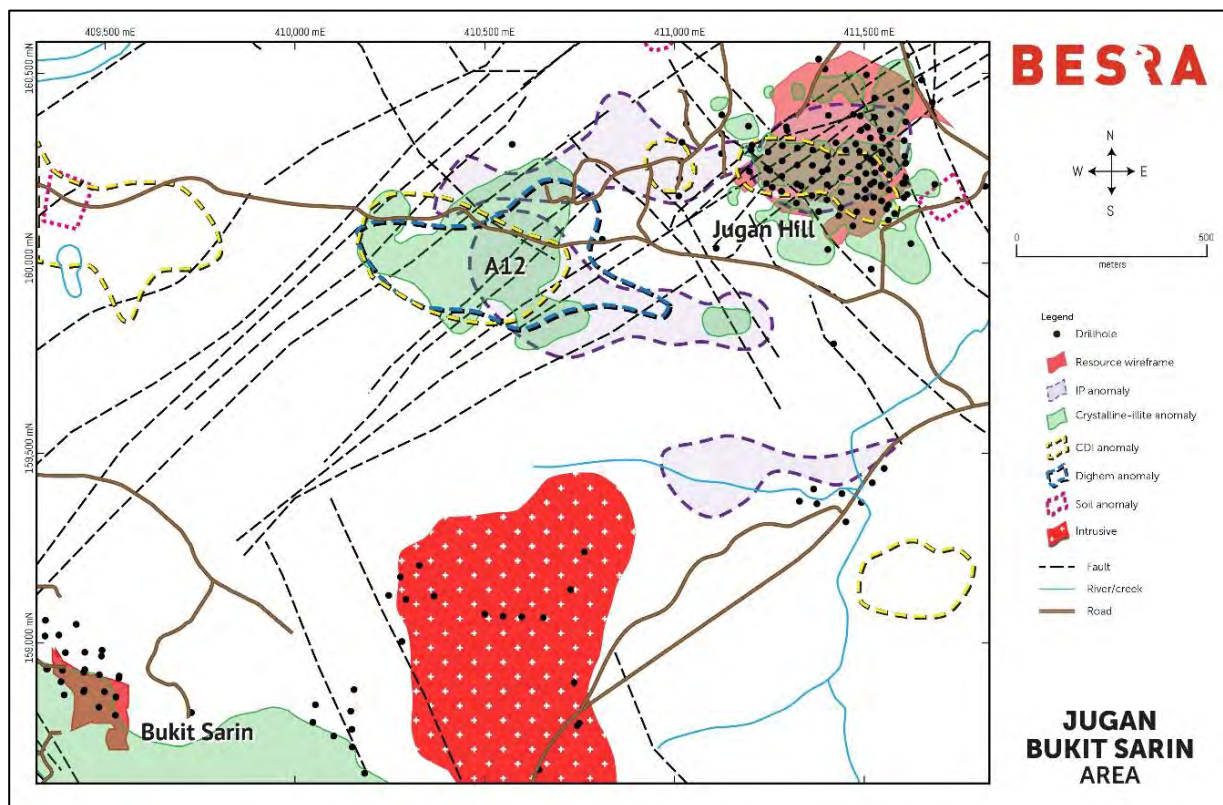


Figure 4-7: Anomaly 12 Geophysical Anomalies

Cube has reviewed the proposed work program for the Jugan area and concludes that it is appropriate to meet the stated objectives listed in Section 10.1.2.



5.0 BEKAJANG-KRIAN SECTOR

5.1 Property Description

The Bekajang sector is situated approximately 0.5 kilometres from the town of Bau and is a set of four deposits based on discrete geographical areas as defined by the drilling to date. These deposits are labelled Bekajang North, Bekajang South, Karang Bila and BYG-Krian.

5.2 Geological Setting and Mineralisation Styles

5.2.1 Tai Parit and Bukit Young

The Bukit Young Gold pit (BYG pit) lies adjacent to the old mine office and plant site. The prospect is developed in the eastern side of the NNE trending Krian Fault where it abuts on the western side against up thrown blocks of Krian Sandstone and adjoining felsic porphyry intrusives. Gold mineralisation is associated with auriferous quartz-manganocarbonate-sulphide veins, vein stockworks, and tectonic/hydrothermal breccias developed principally within fault jogs and at major fault intersections in limestone. Ferruginous auriferous clays as cavity fill and microcrystalline silica as breccia matrix and limestone replacement show similarities to the ore mined at the adjoining Tai Parit pit.

To the immediate west of the BYG Pit, a separate zone of disseminated and vein stockwork style gold mineralisation occurs within an adjacent intrusive stock of dacitic composition and Krian coarse sandstone. Veins with classic bladed quartz pseudomorphing carbonate have been observed, along with quantities of sphalerite indicative of deeper and hotter conditions during gold deposition, as compared to the deposits further south along the Tai Parit Fault.

The Tai Parit prospect is immediately adjacent to Bau township with the abandoned open pit now forming a recreational lake (Tasik Biru) for the town. The Tai Parit pit itself has recorded production of 700,000 ounces at an average grade of over 7 g/t Au from a body of silicified fault breccia aligned NNE-SSW on the Tai Parit Fault, the main controlling mineralising structure.

Several ore types were recognised and mined at Tai Parit. These include auriferous clay, siliceous breccia, jasperoidal silica and calcite veining. The prospect, while being apparently controlled by the Tai Parit Fault, is also in close proximity to high level felsic porphyry intrusives with typical quartz-sericite-pyrite alteration. Host rocks also include the Krian Sandstone, Bau Limestone and Pedawan Shale.

5.2.2 Karang Bila

The area known as Karang Bila lies approximately one kilometre east of the BYG plant site and 500 metres northeast of the BYG tailings dam. There has been a total of 6,806 m of RC drilling in 54 drill holes recorded as having been drilled.

The mineralised zone appears to trend southeast and is flat lying. There seem to be several zones of mineralisation and given the proximity of Bekajang, are likely to be developed at the limestone shale contact and in parallel zones within the limestone.



5.2.3 Bekajang (North/South)

The Bekajang area lies immediately southeast of the Bukit Young processing plant and has been traced for around 1,500 metres southeast and approximately 700 metres across strike. Several deposits are known to occur at the shale/limestone contact and are generally shallow dipping features with mineralisation developed in siliceous breccias within the shales on the contacts between shale and limestone.

During exploration in 2011 several holes were drilled to test beneath the lake within the Bekajang tailings facility. These holes intersected vuggy quartz veins developed in limestone with gold mineralisation. In addition, a dacite porphyry dyke with strong quartz sericite alteration was intersected. This showed disseminated arsenopyrite needles developed marginal to microfractures, with a very similar paragenesis to the gold mineralisation at Sirenggok.

Tai Parit has been mined since the 19th century by the British owned Borneo Company, and later acquired by the Bukit Young Goldmine company in 1970's.

5.3 Previous Exploration

In 2011 an extensive review of the previously collected exploration data across the Bekajang Sector was completed. This work included the following:

- **Geology:** Geological mapping and geodetic surveying was conducted throughout the area. Old maps were digitized and integrated with current map bases.
- **Trenching:** One costean was excavated south of the BYG pit.
- **Geophysics:** The DIGHEM dataset over this area was re-gridded and models interpreted. Two large resistive bodies were defined proximal to the Tai Parit and BYG pits and a large conductive body was located beneath the BYG tailings area.
- **Drilling:** During 2011, a total of 7,135.90 metres of HQ diamond drilling was conducted in 44 holes. These comprised 6,065.8 m in 39 resource holes and 1,070.1 m in five exploration holes. The exploration holes targeted the large conductivity anomaly beneath the BYG tailings deposit and the resistor beneath and south of the BYG pit. The close-spaced resource holes targeted beneath and around the old BYG pit. These holes intersected widespread vein/breccia mineralisation beneath and around the BYG pit and low grade disseminated mineralisation within a porphyry intrusive to the south of BYG pit.

During 2013 additional desktop studies were conducted across the Sector including a review of existing drill sections and plans to identify possible extensions to the identified mineralisation (Gladioli Enterprises Sdn Bhd, 2013). This assessment was supported by the capture and collation of all exploration information (mapping, soil samples, rock chips, channel samples and drilling) into the centralised database. This allowed 3D geological and structural modelling across the BYG area to be completed



5.4 Historical Production

The Bukit Young Gold pit (BYG Pit) was mined until September 1992, prior to the redevelopment of the Tai Parit prospect, and according to Bukit Young mine records it had produced some 440,926 tonnes at a recovered grade of 4.51 g/t Au (Besra Gold Inc., 2013).

Reported production from Tai Parit is 700,000 oz of gold, which included approximately 213,000 oz produced by Bukit Young Gold mine Sdn Bhd (BYG) between 1991 and 1997 (Besra Gold Inc., 2013).

5.5 Mineral Resources

Reporting of Mineral Resources within the Bekajang-Krian Sector was originally completed in 2010 by Terra Mining Consultants/Stevens & Associates (TMCSA). In 2011 the estimate for the Bukit Young prospect was updated by Besra to incorporate additional drilling, with a revised Mineral Resource reported. Current reporting for the sector totals 1.86 Mt at 2.45 g/t Au in the Indicated category, with an additional 10.64 Mt at 1.53 g/t Au in the Inferred category. These resources are reported from five individual block models.

Table 5-1: Reported Mineral Resources for the Bekajang-Krian Sector (effective November 2012²)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Bekajang-Krian	BYG-Krian	Indicated	0.5	1,857,000	2.02
		Inferred	0.5	3,328,000	1.51
	Bekajang South	Inferred	0.5	2,294,000	1.60
	Bekajang North	Inferred	0.5	1,250,000	2.33
	Karang Bila	Inferred	0.5	628,000	2.50
	Tailings	Inferred	0.5	3,138,000	1.00

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube was provided with the block model, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by TMCSA for the 2010 estimates and by Besra for the Bukit Young update in 2011.

² In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Bekajang-Krian has been reviewed, and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), takes responsibility for the integrity of Data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



All data used for the 2010 resource definition and the 2011 resource update was supplied or sourced by/from Besra or determined by TMCSA (2010 resource) from available information. A data validation, cross checking and rectification process was undertaken prior to all resource modelling to verify all data and sources as best as possible, particularly with respect to the historic data.

Historical documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format, were reviewed.

The drill hole information used for the estimates consisted of a total of 690 holes for 59,027.44 metres in the 2010 resource, with an additional 42 holes for 7,159.8 metres drilled in 2011 around the Bukit Young pit area. The 2010 drill holes consisted of 310 RC holes and 380 diamond cored holes in BQ, NQ, HQ & PQ sizes. All drill holes drilled in the 2011 drilling program were diamond cored at PQ (collar) and HQ sizes.

The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated by the topographic surface.

Cube has reviewed the mineralisation domains developed for each of the Bekajang South, Bekajang North, and Karang Bila block models. Cube considers the interpretation of domains within these prospects appropriate based on the drill hole data provided.

Review of the mineralisation domains for the BYG-Krian model shows numerous domains with limited strike or dip continuity. Mineralisation domains based on single hole intercepts are commonly modelled. In Cube's opinion the mineralisation interpretation should be simplified, with a focus on domains with large volumes although having limited drill support. It is expected this adjustment will result in a reduction in the reported resources within this area.

TMCSA (2010) and Besra (2011) completed sample statistics for each of the modelled areas, and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to determine appropriate grade caps for each estimation dataset. The applied grade caps varied between 10 g/t Au and 33.13 g/t Au.

The gold grade distributions within the respective model areas were reviewed and considered to be broadly log-normal in their behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defines the strike, dip and dip direction. These semi-variograms were used to determine the nugget, sill values and ranges. A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent



model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions.

The modelled log semi-variogram values were back calculated to normal semi-variograms. Standardised back transformed nugget values varied between 0.19 to 0.31, with ranges for the first structure up to 10 metres, while the ranges of the second structure extended up to 60 metres. No adequate semi-variograms were definable for the Karang Bila deposit.

Ordinary Kriging (OK) was used to estimate gold grades into parent cells of 4 m X x 4 m Y x 2 m Z for the BYG-Krian prospect and 5 m X x 5 m Y x 5 m Z for the remaining prospects. Besra reported the search parameters were derived from the variogram analysis. Search distances for the first pass were set at the variogram range of the second structure, with a second pass doubling the search distances of the first. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.

In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell sizes applied to the respective models are smaller than the average drill hole spacing would dictate. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.

Density sampling was conducted during the 2011 drilling with values used to interpolate bulk density values into the BYG-Krian model using the inverse distance technique. For the 2010 resource areas the density values were assigned based on limited recorded average densities reported from the Taiton and Bekajang-Krian Sectors. The average values by lithology were assigned to the block model density.

Cube considers the average density values assigned to be appropriate for the geological units described.

Validation of the block estimates was done by application of a check estimate using inverse distance to the power of two (ID^2), with estimation parameters used as for the OK estimates. The results are described as being acceptable allowing for differences as a result of the estimation technique.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however acknowledges it as a low risk.

The resource for the BYG-Krian prospect has been classified into the Indicated and Inferred categories. Initial assignment was based on the estimation pass, with Indicated assigned to blocks filled in the first pass and Inferred to those filled in the second. This was revised considering the distribution of historical drilling, with material downgraded from Indicated to Inferred in areas with limited recent drilling. Additionally, material below the -55 metre level has been set to Inferred reflecting the lower drill density achieved below this depth.

The resource for the Bekajang North, Bekajang South and Karang Bila prospects has been set to a maximum category of Inferred based on the majority of drilling being RC, core hole sizes generally being smaller (BQ), assigned density values, and the difficulty in domaining mixed populations.



Assignment of resource classification should consider a range of criteria including drill density, sample quality, sample types, geological confidence, mineralisation continuity, estimation statistics, and model validation results. The adjustment to the classification assignment for the BYG-Krian resource based on sample confidence and drill density is appropriate in Cube's opinion. Further review of the classification assignment identifies areas classified as Indicated with single drill hole support. In Cube's opinion this is optimistic as mineralisation continuity is not demonstrated.

While mine optimisation processes have been conducted for the BYG-Krian resource to support a reported Mineral Reserve, it is unclear whether reasonable prospects for eventual economic extraction have been tested for the Mineral Resources reported from the remaining prospects.

Details on the Mineral Resource estimate for the tailings associated with the residual processed tails from the Bukit-Young Gold Mines operations was presented separately. These tailings were generated from the processing plant during the 1980's to 1990's.

TMCSA first defined the tailings volume using survey data of the original Bekajang lake and incorporated this into the original 1978 topographic surface. This was used to define the base of the tailings, with the final survey of the tailings surface and projected tailings bund wall angles used to define the upper and lateral limits.

Cube considers this approach to defining the tailings volume to be appropriate to support resource estimation.

Accessible portions of the tailings area were drilled by auger with a total of 237 holes for 916.8 metres completed. Sample data was collected at one metre intervals, and no compositing was completed. A high-grade cap of 3.30 g/t Au was applied to the sample data. Grades were estimated into parent cells of 10 m X by 10 m Y by 1 m Z using inverse distance to the power of two (ID^2). An anisotropic search was used for the estimate, with a minimum of five samples and maximum of 20 samples used for a successful estimate. A bulk density of 1.80 g/cm³ was assigned to the tailings volume based on a limited number of density measurements.

Cube considers the use of an anisotropic search to not be warranted given the nature of deposition of tailings, and that no underlying spatial continuity is expected. Nevertheless, this is considered a low risk to the estimate. The remaining parameters and assumptions used in estimation of the tailings resource are considered acceptable in Cube's opinion.

Due to the restrictions in auger drilling locations, only a portion of the modelled tailings volume was estimated (Figure 5-1). The un-estimated portion of the tailings was assigned an average gold grade based on review of production records and details of the total gold content deposited following processing. The estimated gold content and tonnage was subtracted from the total gold content and associated tonnage to calculate an average grade in the remaining un-estimated tonnage.

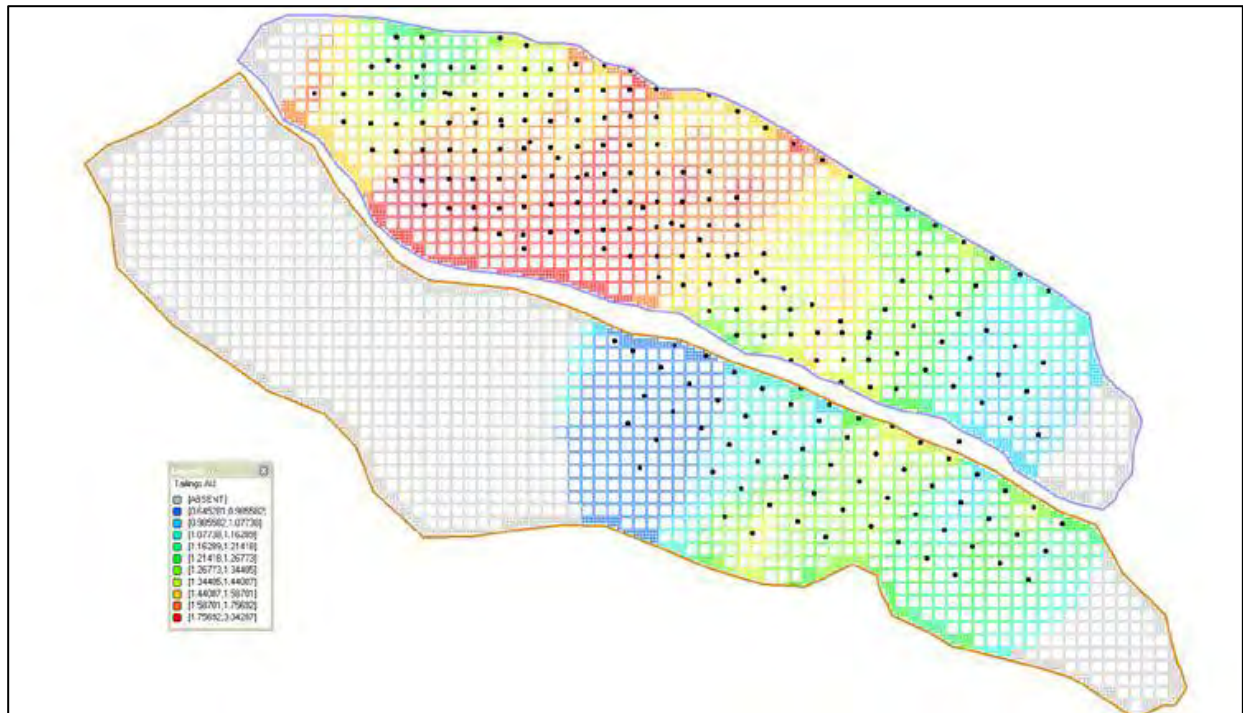


Figure 5-1: Tailings: Au Model Bench Slice & Auger Positions

In Cube's opinion the approach used to define the tailings resource is not considered standard industry practice, with the reported tailings grade considered high risk. Further, reporting of the tailings material as a resource requires consideration of the processing route likely to be employed and whether meaningful recovery of contained gold can be expected (reasonable prospects test). Production records indicate average recoveries during the tailings effective life as being 64%. It is unclear whether this low recovery was due to poor original practices, as a result of refractory mineralisation, or both.

5.6 Exploration Potential

The existing drill pattern and geology of the BYG Pit is shown in Figure 5-2. It is notable that some of the better grades were obtained from within the Krian Sandstone unit which is a basal member to the Bau Limestone. This is also true for the adjoining Tai Parit Deposit. The Krian Fault cuts through the pit and is up-thrown on the NW side exposing intrusives and Krian Member. Serian Volcanics have also been intersected in this area where they are altered and exhibit some brecciation. On the south east side of the Krian Fault predominantly Bau Limestone is exposed. A prime exploration target exists here at depth in the Krian Sandstone and Serian Volcanics where it is postulated that the high-grade mineralisation seen to the north west should be repeated.

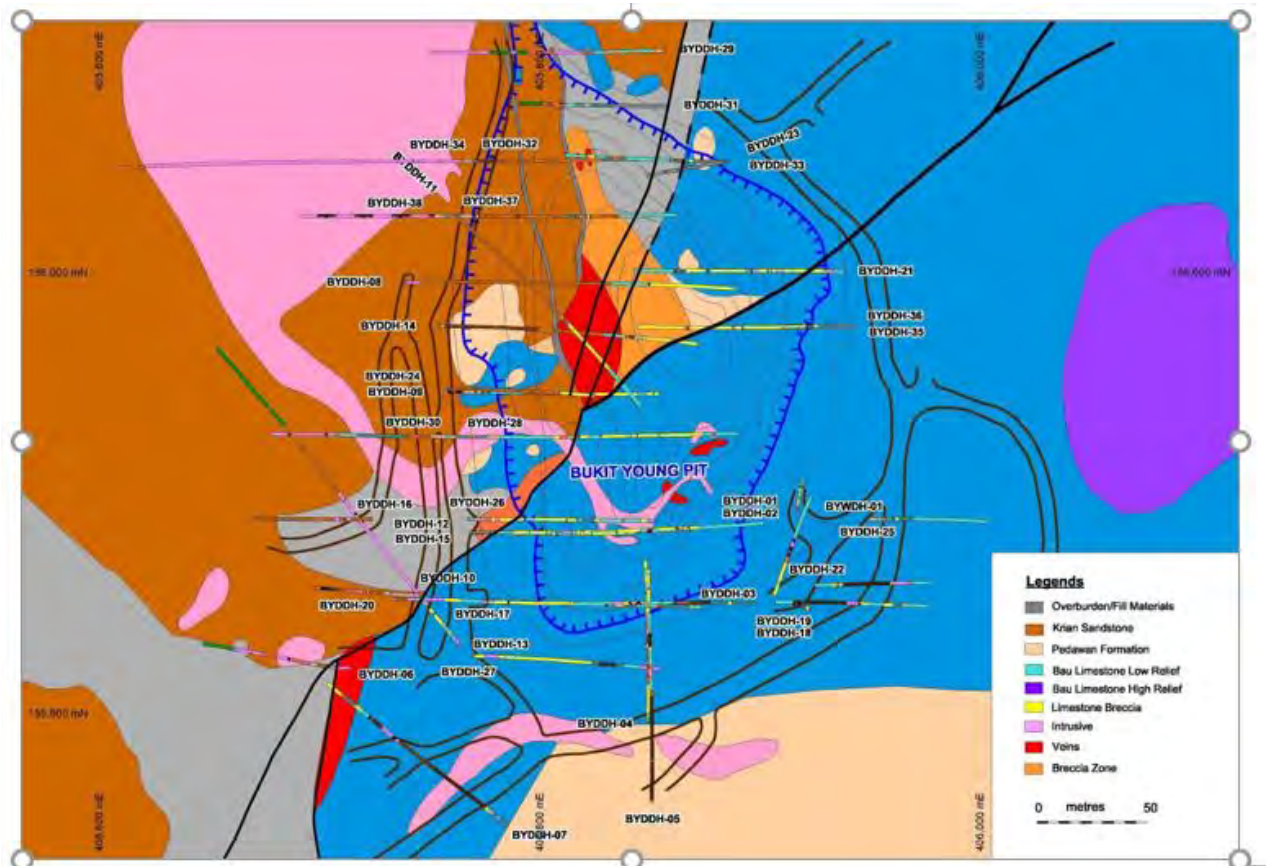


Figure 5-2: Geology and drill location plan BYG Pit

Cube has reviewed the proposed work program for the Bekajang area and concludes that it is appropriate to meet the stated objectives listed in Section 10.1.4.



6.0 PEJIRU SECTOR

6.1 Property Description

The Pejiru Sector lies between five kilometres and eight kilometres southwest of Bau and comprises four deposits that have been modelled. These are the Bogag-Pejiru, Pejiru Extension, Kapor and Boring deposits. An overview of the prospect locations is presented in Figure 6-1.

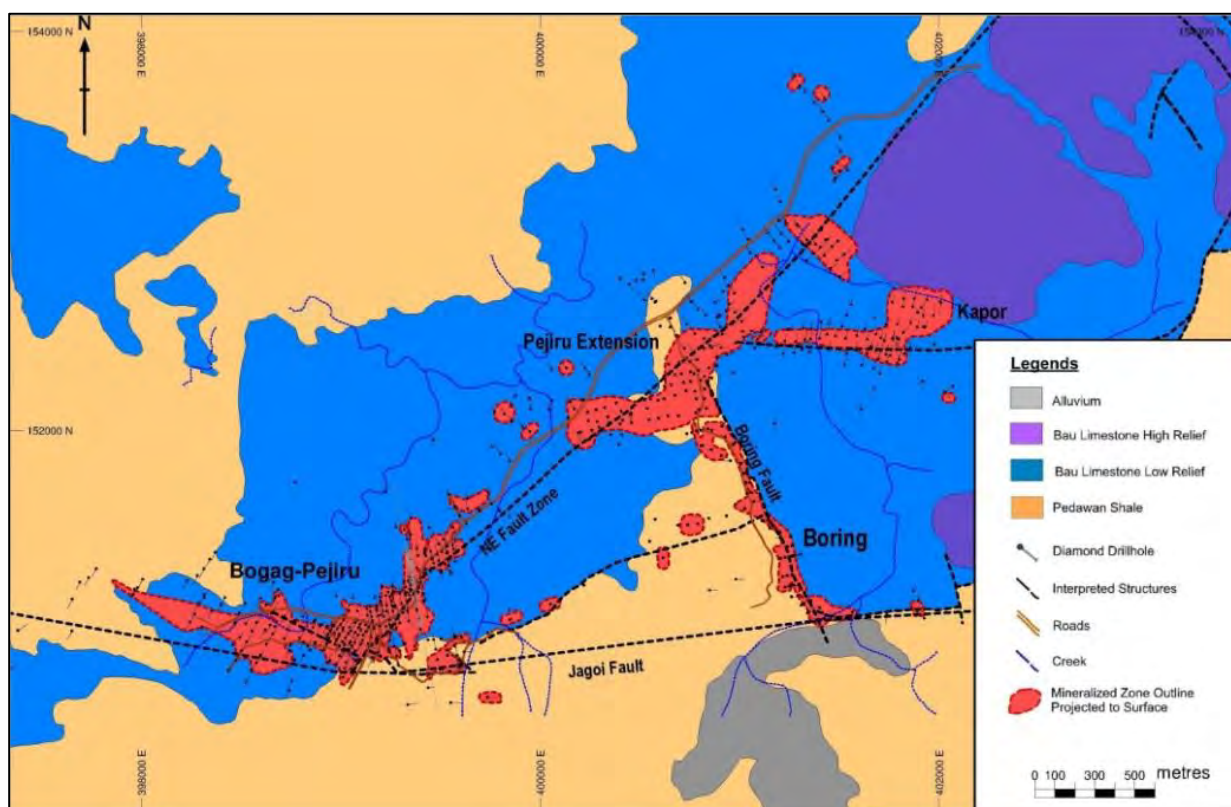


Figure 6-1: Pejiru Sector Prospect Location Map

6.2 Geological Setting and Mineralisation Styles

6.2.1 Bogag-Pejiru and Pejiru Extension

The Bogag-Pejiru prospect has a main zone of mineralisation that is essentially flat lying extending approximately 1,500 metre along strike, between 50 metre to 150 metres across strike, and up to 80 metres thick, averaging approximately 15 metres. It has a NE-SW trend and a NW-SE trend (Figure 6-2), giving a “lobate-V” surface projection. Pejiru Extension lies to the northeast and is essentially a continuation of the Bogag-Pejiru zone in that direction.

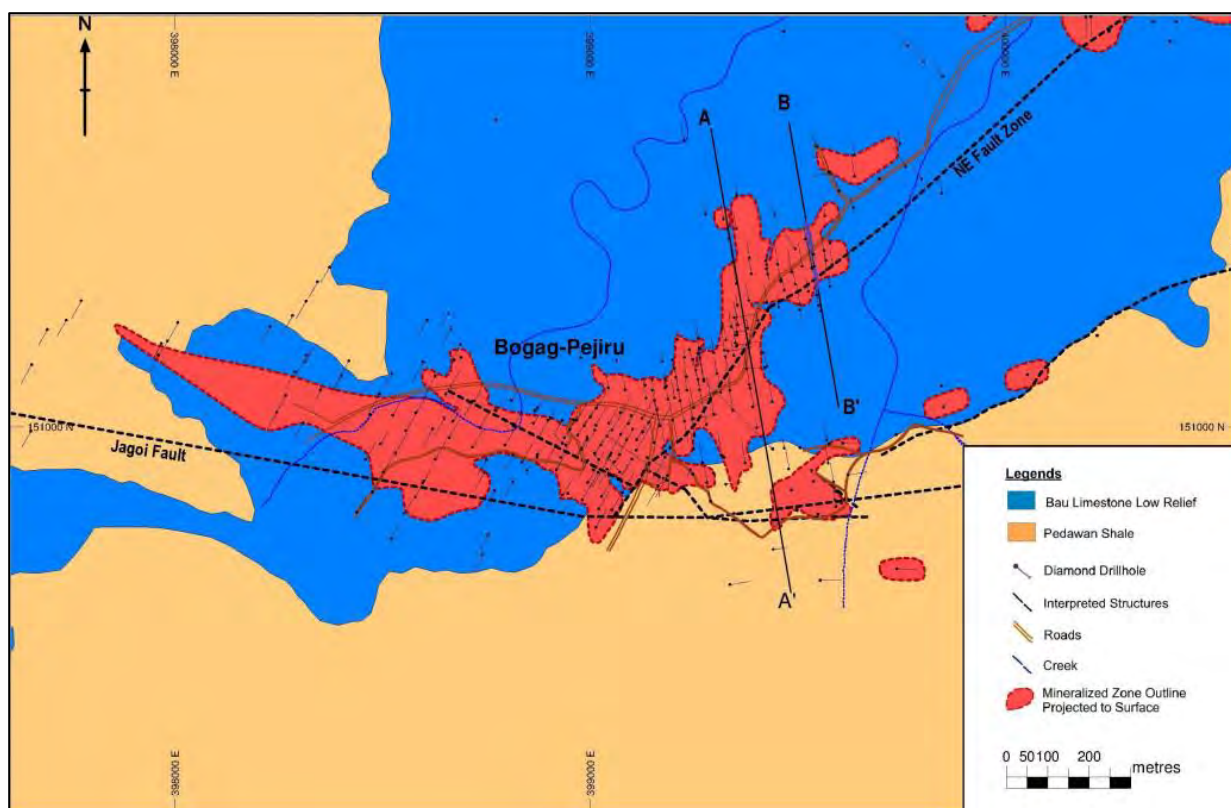


Figure 6-2: Geological Plan of Pejiru Prospect Showing Surface Projection of Gold Mineralisation

Previous workers have thought mineralisation controls relate to the so called Bau Anticlinal axis, however recent work by Besra had concluded it is more likely developed within a horst and graben style block faulting regime related to the Bau pop-up structural model.

Mineralisation can occur at the limestone-shale contact but more commonly lies within the Bau Limestone. The general outlines of the ore zones show that the most extensive mineralisation occurs at the intersection of NW-SE and NE-SW structures. The main mineralised zones lie between 20 and 30 metres below surface, being thickest at proposed fault intersections, and where semicircular highly conductive zones in the DIGEM data have been interpreted as collapse features within limestone. These may in turn represent fluid up flow zones as described below.

The infiltration of mineralising acidic hydrothermal fluids has led to the development of extensive karst dissolution features within the Bau Limestone at or near limestone shale contacts. Gold mineralisation occurs as encapsulated gold in arsenopyrite needles or within arsenian pyrite in a sulphide rich zone, often brecciated and silicified, that lies beneath a massive calcite zone. Beneath the thickest zone, a stockwork of thin calcite veins occurs below the mineralisation and probably reflect the fluid conduit for the mineralisation.

Where karst development is greatest, collapse breccias are common with highly auriferous clay that has been produced from weathering of the primary ore. Figure 6-3 gives a sectional view of the model of formation at Pejiru.

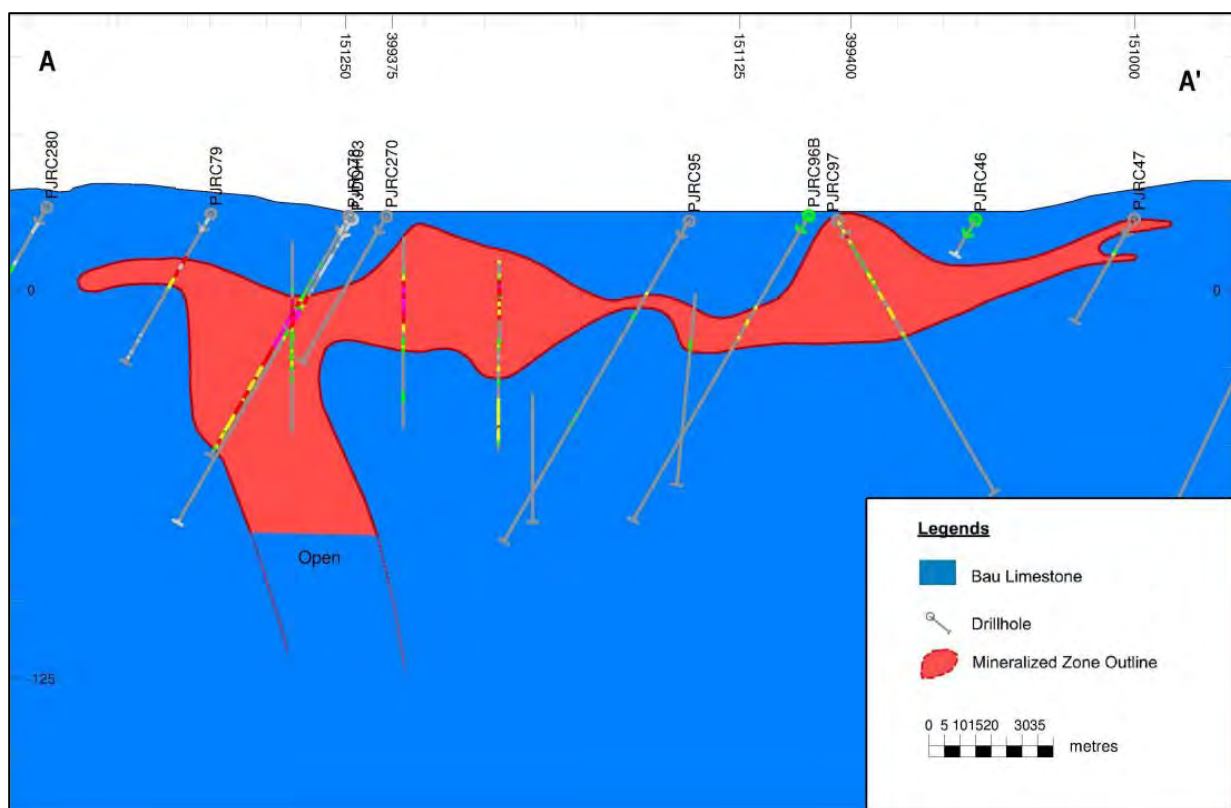


Figure 6-3: Cross-Section A-A' through Pejiru Prospect showing Mineralised Zone

6.2.2 Boring

The Boring prospect comprises two areas that lie between 1.3 kilometres and 2 kilometres northeast of the centre of the Bogag-Pejiru deposit. The northern area covers around 150 square metres and consists of several intersections of gold mineralisation ranging from three metres to 50 metres in downhole intersections. The vertical orientation of drilling to date results in some uncertainty around the mineralisation orientation. Mineralisation can be modelled as flat lying or with some steep dipping structural control, or a combination of both.

The southern area of the Boring prospect consists of a NW-SE trending zone of mineralisation, as defined by drilling. The geology of the area is dominated by the southeast trending Boring Fault against which a 1,500 metre by 800 metre block of Pedawan Formation, 40 metres to 80 metres thick, is down thrown and juxtaposed against Bau Limestone. The mineralisation is found within veins in the limestone and within sulphidic breccia along the karstic limestone shale contact. Figure 6-4 below outlines the gold mineralisation in the Boring area of the Pejiru Sector.

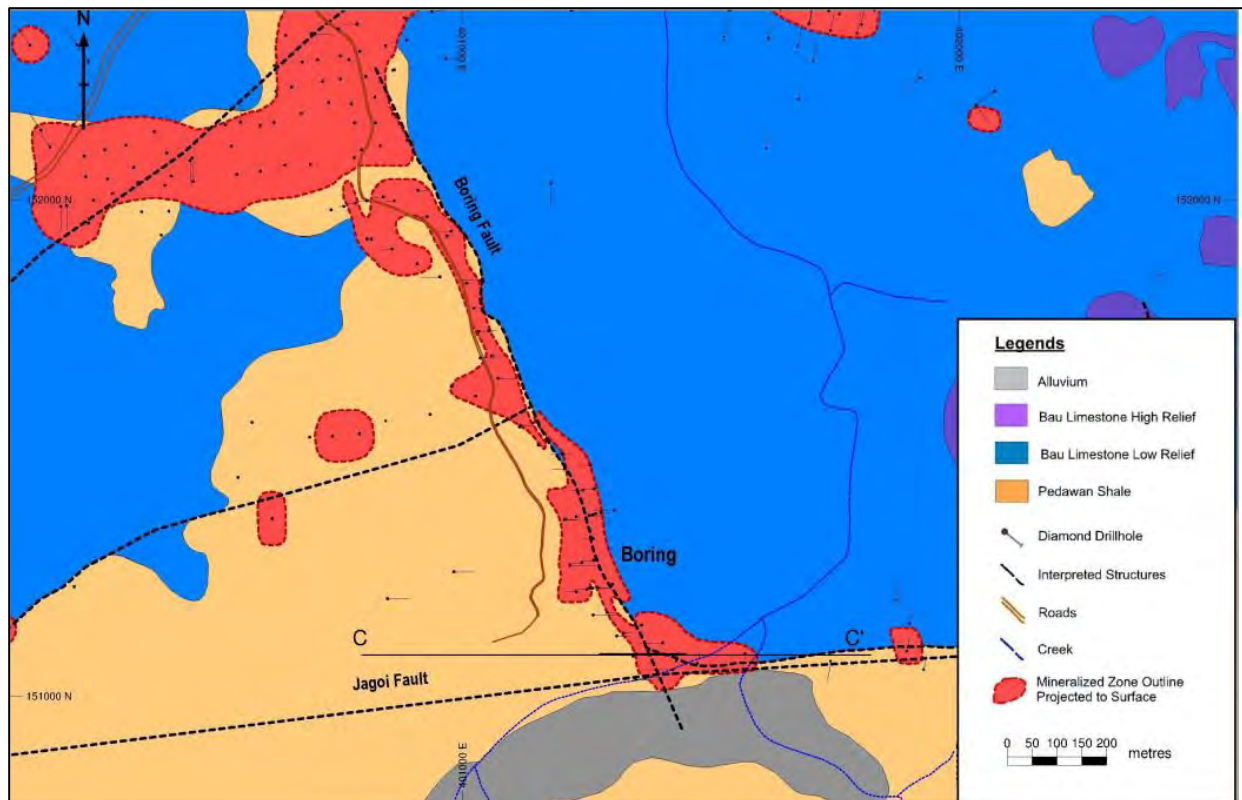


Figure 6-4: Geological plan of Boring Prospect showing surface projection of gold mineralisation

6.2.3 Kapor

The Kapor deposit lies five kilometres southwest of Bau and is adjacent to the Fairy Cave National Park. Mineralisation can be traced almost continuously to Pejiru, 2.5 km along strike to the southwest. Mineralisation is hosted in limestone as is the case at Pejiru, but with much higher arsenic levels recorded. Again, gold is associated with arsenopyrite and records show arsenic can reach to around 30% in isolated samples, antimony is strongly anomalous with values in the hundreds and thousands of ppm. Figure 6-5 below outlines the gold mineralisation in the Kapor area of the Pejiru Sector.

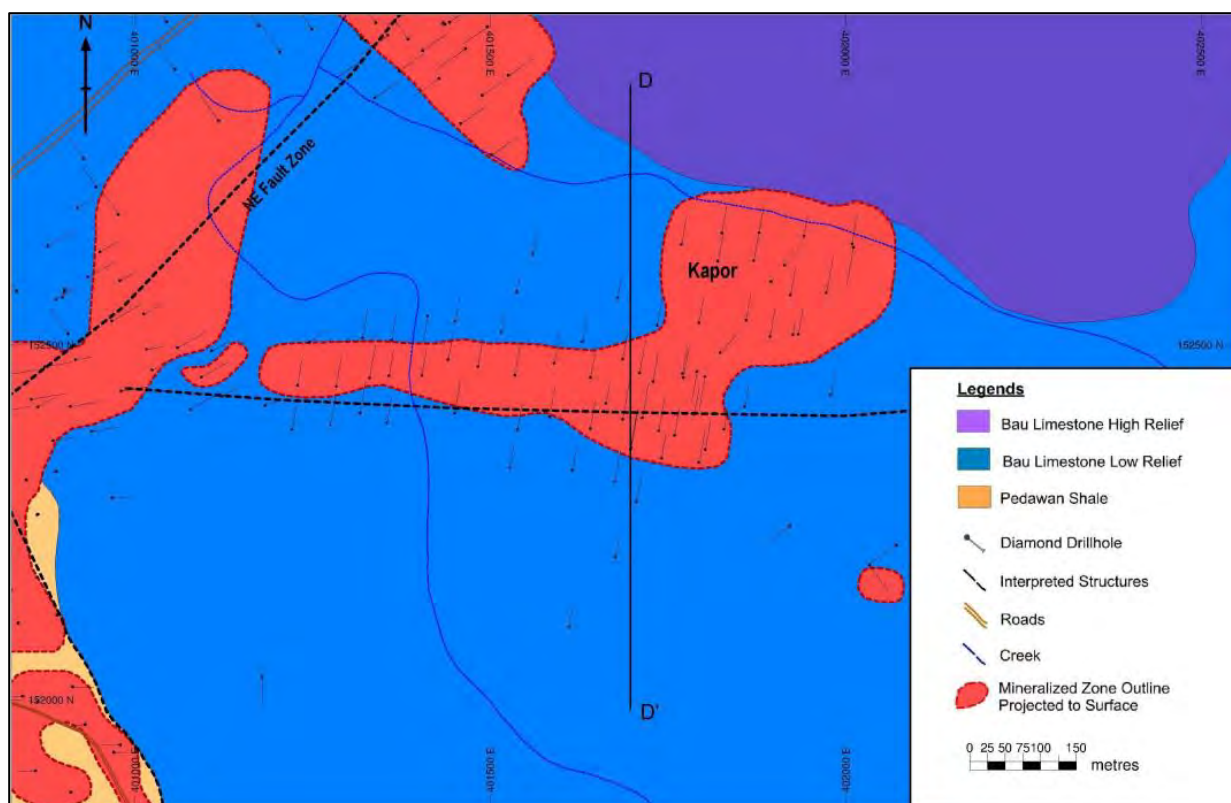


Figure 6-5: Geological plan of Kapor Prospect showing surface projection of gold mineralisation

6.3 Previous Exploration

The Pejiru Sector has been the focus of intensive exploration particularly through the Menzies era. The sector has been subject to metallurgical studies and mine scoping studies by Menzies in the 1990's.

In 1995, geologists from BYG Services discovered significant limestone/shale breccia-hosted gold mineralisation at Pejiru. Drilling at this location in 1996 defined the Pejiru prospect, and a second mineralised zone at the nearby Kapor deposit - located at the site of the old Ban Hin Lee Mine, which was probably worked between 1930 and 1950 (Gladioli Enterprises Sdn Bhd, 2013).

A total of 426 reverse circulation (RC) and two diamond holes were drilled for a total of 33,032.5 metres between 1995 and 1999. Most of the work was focussed on the Pejiru and Kapor prospects, although a number of RC holes were drilled at Tai Ton, Umbut, and Boring. Soil geochemical sampling programs were also completed at Pejiru.

In 1999 four seismic lines and a gravity survey were completed over the Pejiru prospect. The surveys were aimed at identifying large deep-seated structures that may have acted as feeders to the mineralisation. Interpretation of the geophysical results led to the drilling of a single deep diamond hole (100 metre RC pre-collar, 358 metres of HQ core diameter) to test for deep feeder structures, however drilling failed to intersect significant mineralisation.

In the period 2007 to 2012 work in the Pejiru Sector primarily comprised review and validation of existing drilling and exploration information, and the generation of various mineral resource estimates. The first was completed in 2007 and is reported as being in line with the 2004 JORC Code requirements. Additional



estimates were prepared in 2008 and 2010. Additional details on the 2010 resource estimate can be found in Section 6.5.

6.4 Historical Production

There has been no historical commercial production reported in the Pejiru Sector area. Small scale mining is reported to have occurred within the Pejiru area from the historic Ban Hin Lee Mine.

6.5 Mineral Resources

Reporting of Mineral Resources within the Pejiru Sector was completed in 2010 by Terra Mining Consultants/Stevens & Associates (TMCSA). Current reporting for the sector totals 25.8 Mt at 1.20 g/t Au in the Inferred category, reported from four separate resource block models.

Table 6-1: Reported Mineral Resources for the Pejiru Sector (effective November 2012³)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Pejiru	Bogag-Pejiru	Inferred	0.5	11,800,000	1.10
	Pejiru Extension	Inferred	0.5	7,053,000	1.14
	Kapor	Inferred	0.5	4,849,000	1.59
	Boring	Inferred	0.5	2,096,000	1.10

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube were provided the block models, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by TMCSA for the 2010 resource estimates.

All data used for the 2010 resource estimate were supplied or sourced from Olympus or determined by TMCSA from available information. A data validation, cross checking and rectification process was undertaken prior to modelling to verify all data and sources as best as possible, particularly with respect to the historic data.

Historical documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format were reviewed.

³ In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Pejiru has been reviewed, and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), takes responsibility for the integrity of data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



The drill hole information used for the estimates consisted of a total of 434 holes distributed across the four prospect areas comprised of 420 RC holes and 14 diamond core holes.

In general, the diamond core holes drilled within the Pejiru Sector were planned to “twin” existing RC holes. Graphical review of these twinned holes indicates that gold grades are generally reported from larger down hole intervals in the RC hole than reported from the twinned diamond core hole. This indicates potential smearing of mineralisation during drilling and sampling processes associated with the RC drilling. This twinned hole performance reduces confidence in the reported drill hole assays. This is reported as being considered in assignment of the relevant resource classification.

The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated, extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated by the topographic surface.

Cube has reviewed the mineralisation domains developed for the resource models within the Pejiru Sector. In Cube’s opinion there is an opportunity to modify the mineralisation domains to exclude large intervals of material below the nominal cut-off. In general, blocks in proximity to this material generally report below the 0.5 g/t Au cut-off grade for resource reporting, however in some areas smoothing of the estimate results in additional volume above cut-off being reported. This is considered a low risk in Cube’s opinion, given the resource classification assignment.

TMCSA (2010) completed sample statistics for the Bogag-Pejiru, Pejiru Extension, Boring, and Kapor prospects, and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to determine appropriate grade caps for each estimation dataset. Grade caps applied varied between 6.47 g/t Au and 20.12 g/t Au

The gold grade distributions within the respective model areas were reviewed and considered to be broadly log-normal in their behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defines the strike, dip and dip direction. These semi-variograms were used to determine the nugget, sill values and ranges. A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions.

The modelled log semi-variogram values were back calculated to normal semi-variograms. Standardised back transformed nugget values varied between 0.23 to 0.25, with ranges for the first structure up to 10 metres, while the ranges of the second structure extended up to 40 metres.



Ordinary Kriging (OK) was used to estimate gold grades into parent cells of 10 m X x 10 m Y x 5 m Z. TMCSA reported the search parameters were derived from the variogram analysis. Search distances for the first pass were set at the variogram range of the second structure, with a second pass doubling the search distances of the first. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.

In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell size is smaller than the average drill hole spacing would dictate for each prospect, perhaps except for the Bogag-Pejiru prospect. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.

Limited density values recorded in the data were used to inform an average density assignment, with a value of 2.61 g/cm³ applied.

Validation of the block estimates was done by application of a check estimate using inverse distance to the power of two (ID²) and nearest neighbour techniques utilising the same search and sample parameters as for the OK estimate. The results are described as being acceptable allowing for differences as a result of the estimation technique. Additionally, the estimate was validated by visual review of drill holes against estimated blocks by plan and section.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however acknowledges it as a low risk.

The resources for the Pejiru Sector prospects have been classified into the Inferred category.

In Cube's opinion the resource classification assigned is appropriate given the mineralisation continuity, differences in drilling techniques and assay quality, and drill density. Assignment of the resource classification also accounts for the differences reported in the twinned hole performance between diamond and RC drill holes.

6.6 Exploration Potential

Recent evaluation of available data, including geophysical data, by Besra has highlighted areas of favourable structure associated with on-lapping shale over Bau Limestone and areas of high conductivity within the Bau Limestone related to pipe-like features, some of which correlate with known areas of gold mineralisation. Some of these features are highlighted in plan in Figure 6-6 and shown in cross section in Figure 6-7.

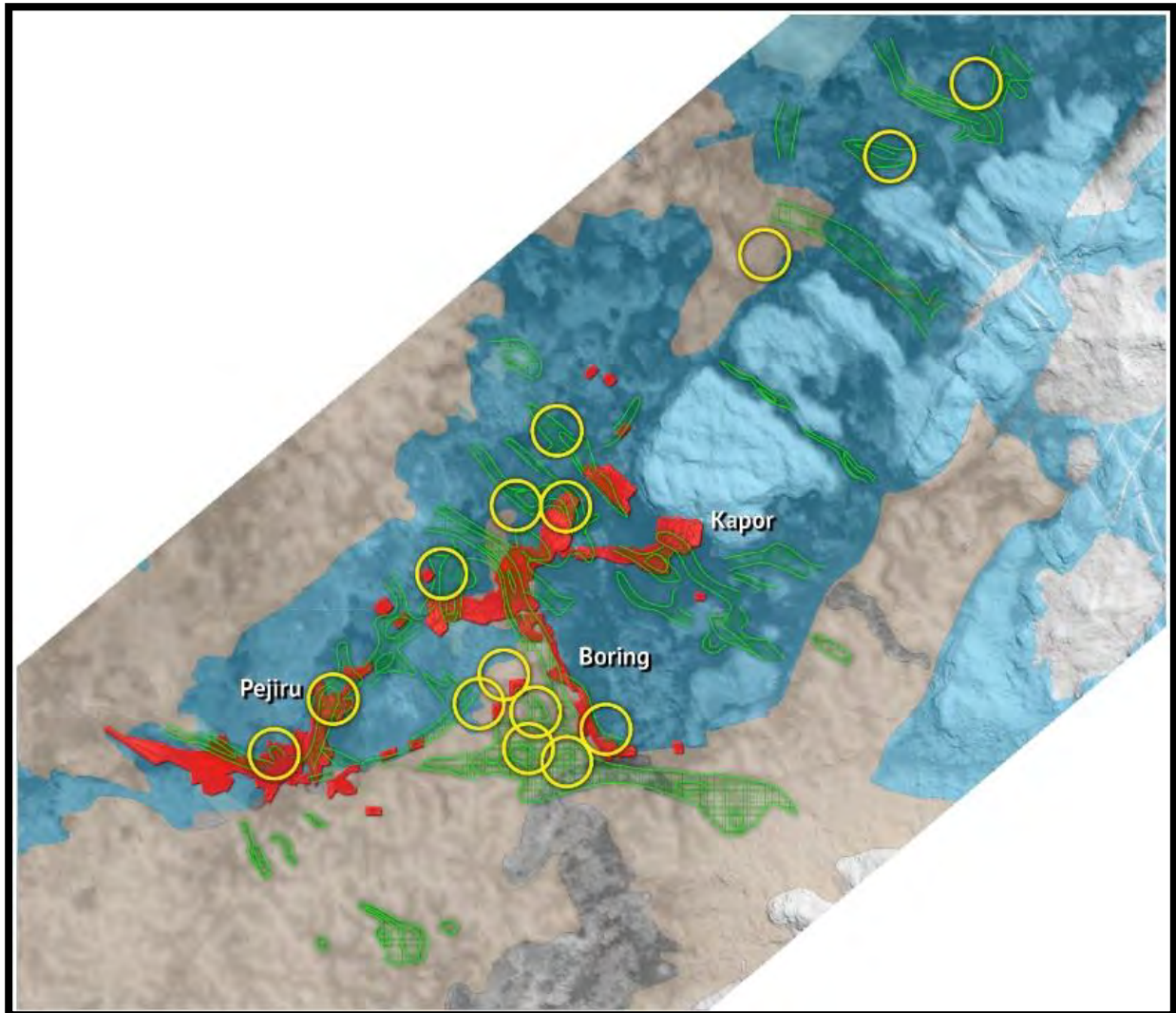


Figure 6-6: Pejiru Sector plan showing existing mineralisation (red) with geophysical inferred extensions (green), outcropping Bau Limestone (blue) and potential pipe-like features (yellow circles)

Cube has reviewed the proposed work program for the Pejiru area and concludes that it is appropriate to meet the stated objectives listed in Section 10.1.1.

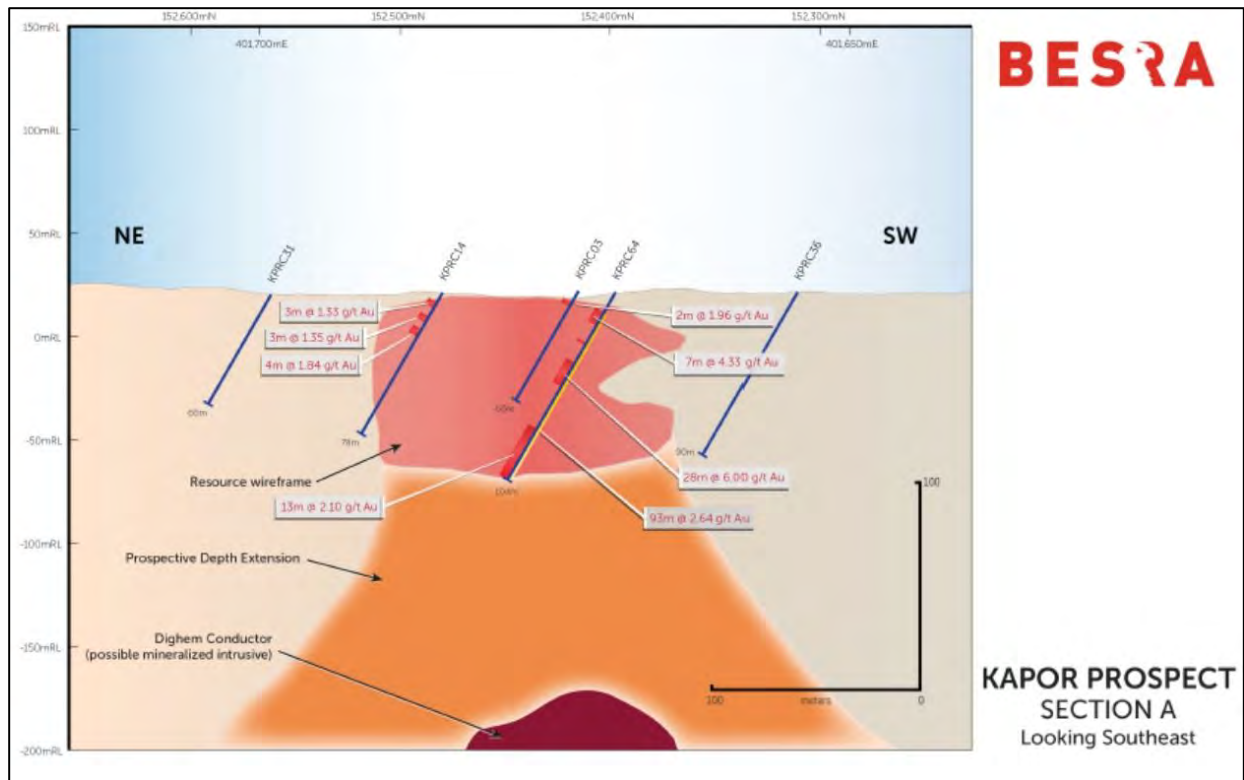


Figure 6-7: Cross-Section B-B' through Pejiru Showing Depth Potential Associated with Conductivity High (refer to Figure 6-2)

Existing modelled mineralisation at Pejiru reflects shallow, flat-lying mineralisation within hydrothermal fluid out-flow zones and are associated with linear conductivity anomalies. These shallow mineralisation zones are inferred to lie proximal to subvertical hydrothermal fluid up-flow feeder conduits, which form another important target (Figure 6-2). Additional detail on the respective targets is included below.

6.6.1 Near Surface Mineralisation

The identified near-surface deposits are associated with limestone-shale contacts (LSC) with the current mineralisation extents primarily governed by current drilling limits. This shallow mineralisation predominantly comprises low-grade refractory ores that have been deposited under strong structural and stratigraphic control within sub-horizontal hydrothermal fluid out-flow zones. The mineralisation mainly comprises sulphidic shale and subordinate limestone/shale breccias with sulphidic matrices. The structural control along major fault zones is obvious.

Existing resource wireframes commonly overlap extensive linear fault-associated high-conductivity anomalies defined from geophysical surveys, inferred to represent extensions of near-surface mineralisation, most of which have not yet been drilled.

6.6.2 Deep Mineralisation

Because the historic drilling (mainly RC) in this Sector was specifically designed to target shallow limestone/shale contacts, very few drill holes have extended below 90 m depth. Consequently, the mineralisation potential within the hypothesised deeper feeder conduits has not been tested.

From analysis of airborne (DIGHEM) geophysical anomalies and topography, more than fourteen of these potential feeder zones have been identified. In many instances, the anomalies are seen to coincide with:



- fault intersections
- higher grade mineralisation zones revealed by earlier shallow drilling
- shallow topographic depressions (discernible on air-photo), which sometimes develop above large limestone collapse breccia zones.

The Bau conceptual genetic model suggests that with increasing depth, the subvertical feeder zones will exhibit progressively more siliceous, less-refractory and higher-grade mineralisation character. This is consistent with deep mineralization historically mined from the Tai Parit deposit and with results from deeper drilling at Jugan Hill deposit.



7.0 SIRENGGOK SECTOR

7.1 Property Description

The Sirenggok prospect lies approximately 1.5 kilometres northeast of the Bau Township.

7.2 Geological Setting and Mineralisation Styles

The gold-arsenic-antimony mineralisation is hosted by veins, vein stockworks and as disseminations within quartz-sericite to propylitic altered quartz-feldspar micro-quartz diorite porphyry. A younger phase of xenolithic quartz diorite porphyry intrudes the earlier porphyry.

Figure 7-1 shows the surface distribution of the main mineralised zones while Figure 7-2 shows a section view of the mineralisation.

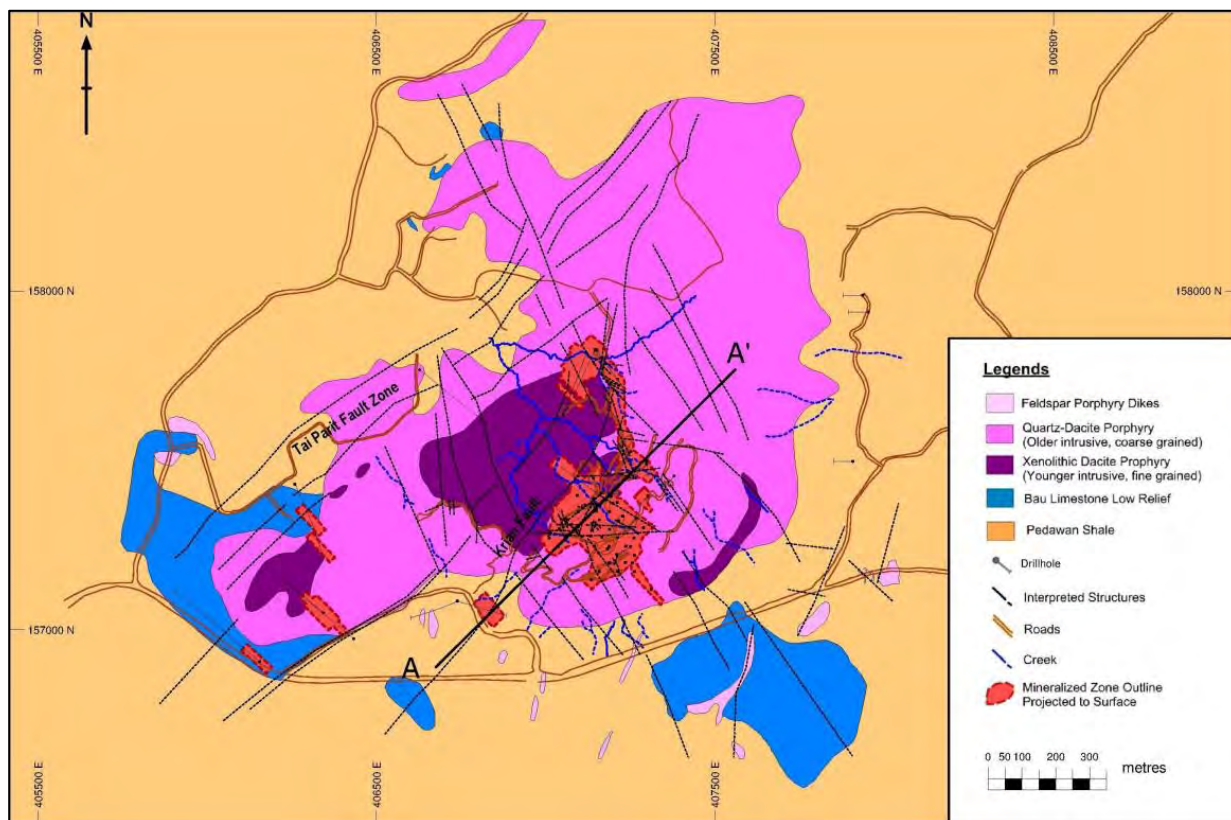


Figure 7-1: Geological Plan of the Sirenggok Prospect

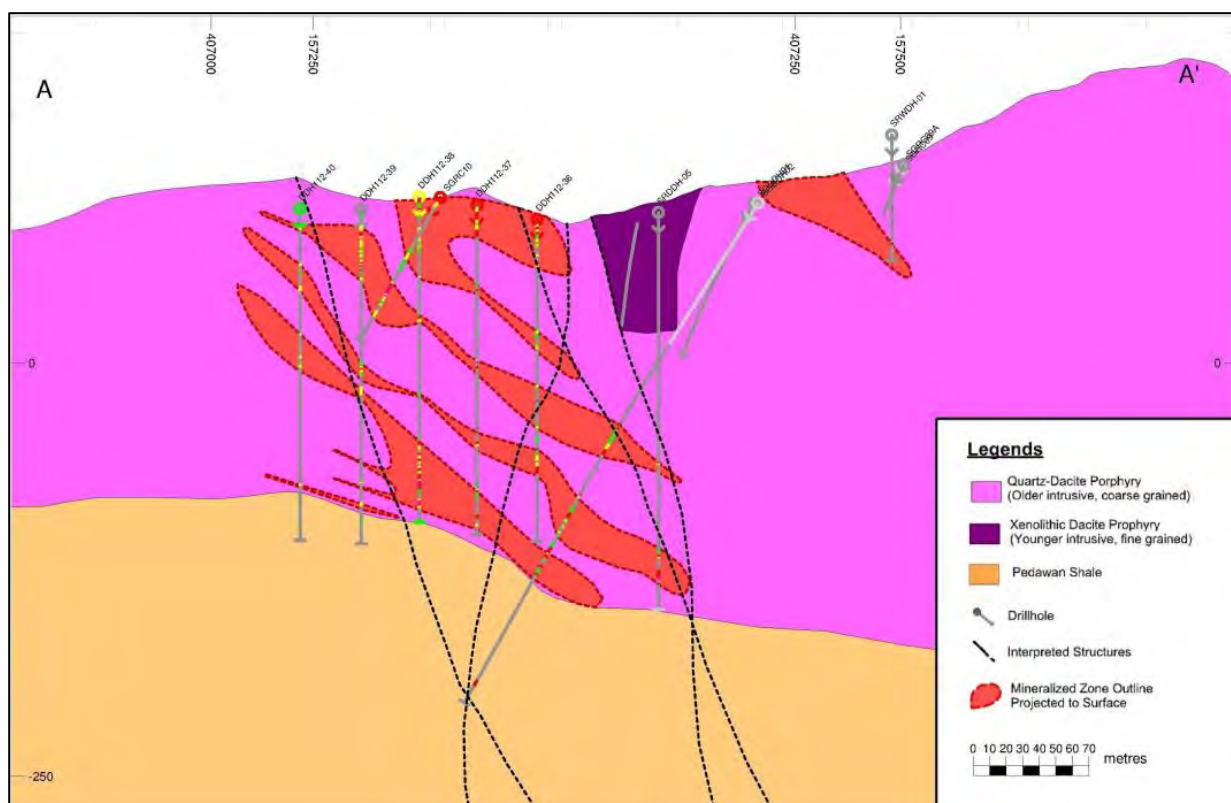


Figure 7-2: NE-SW section through the Sirengkok Prospect

The host porphyry appears to be a funnel shaped composite body with concentric phase's younging inward that intruded through the Bau Limestone and Pedawan Formation and flattened out at shallower levels. There are several breccia phases recognised. The currently defined resource is open along strike and at depth. The main trend appears to be NW-SE and steeply dipping to the NE.

7.3 Previous Exploration

Exploration activities in the Sirengkok Sector were largely aligned to those in the Pejiru Sector. Preliminary mineral resource estimates were prepared for Sirengkok in conjunction with the Pejiru estimates during 2010 and revised in 2011.

During 2012 the results of previous exploration were reassessed and identified the need for further mapping to reconcile a number of inconsistencies within previously mapped data. The DIGHEM dataset was re-gridded and models were interpreted. A large resistive body was defined proximal to the projected position of the Tai Parit Fault. This resistor has a tabular, steep-dipping morphology, orientated parallel to the Tai Parit fault trace. The morphology is interpreted as a quartz vein and identified as a prime target for future drilling (see Section 7.6).

7.4 Historical Production

There has been no historical production reported in the Sirengkok Sector area.



7.5 Mineral Resources

Reporting of Mineral Resources within the Sirenggok Sector was completed in 2010 by Terra Mining Consultants/Stevens & Associates (TMCSA). Current reporting for the sector totals 8.35 Mt at 1.14 g/t Au in the Inferred category (Figure 7-1).

Table 7-1: Reported Mineral Resources for the Sirenggok Sector (effective November 2012⁴)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Sirenggok	Sirenggok	Inferred	0.5	8,346,000	1.14

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube were provided the block model, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by TMCSA for the 2010 estimate at Sirenggok.

All data used for the 2010 resource estimate was supplied or sourced from Olympus or determined by TMCSA from available information. A data validation, cross checking and rectification process was undertaken prior to modelling to verify all data and sources as best as possible, particularly with respect to the historic data.

Historical documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format were reviewed.

The drill hole information used for the estimate consisted of a total of 72 holes for 11,163.1 metres and 39 trenches for 1,174 metres. The drill holes consisted of 13 RC holes, three RC pre-collars with diamond tails, and 56 diamond core holes in BQ, NQ, HQ and PQ sizes.

The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated by the topographic surface.

⁴ In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Sirenggok has been reviewed and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), takes responsibility for the integrity of data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



Cube has reviewed the mineralisation domains developed for Sirenggok model. In Cube's opinion there is an opportunity to modify the mineralisation domains to exclude large intervals of material below the nominal cut-off. In general, blocks in proximity to this material generally report below the 0.5 g/t Au cut-off grade for resource reporting, however in some areas smoothing of the estimate results in additional volume above cut-off being reported. This is considered a low risk in Cube's opinion, given the resource classification assignment.

TMCSA (2010) completed sample statistics for the Sirenggok prospect, and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to determine an appropriate grade cap for the estimation dataset, with a value of 7.31 g/t Au selected.

The gold grade distribution was reviewed and considered to be broadly log-normal in behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defines the strike, dip and dip direction. These semi-variograms were used to determine the nugget, sill values and ranges. A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions.

The modelled log semi-variogram values were back calculated to normal semi-variograms. The standardised back transformed nugget value was moderate at 0.22, with the range for the first structure at five metres, while the range of the second structure was 40 metres. The range in each of the three directions was the same, and therefore considered an isotropic search.

Ordinary Kriging (OK) was used to estimate gold grades into parent cells of 10 m X x 10 m Y x 5 m Z. Besra reported the search parameters were derived from the variogram analysis. Search distances for the first pass were set at the variogram range of the second structure, with a second pass doubling the search distances of the first. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.

In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell size is smaller than the average drill hole spacing would dictate. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.

It is reported that the estimation search was orientated along azimuth 40° and dipping 50° to the northwest. Given the variogram model is isotropic, the use of a search orientation will have no impact on the selection of samples or their relative weights used in informing the block grades.

Limited density values recorded in the data were used to inform an average density assignment, with a value of 2.65 g/cm³ applied.



Validation of the block estimates was done by application of a check estimate using inverse distance to the power of two (ID^2) and nearest neighbour techniques utilising the same search and sample parameters as for the OK estimate. The results are described as being acceptable allowing for differences as a result of the estimation technique. Additionally, the estimate was validated by visual review of drill holes against estimated blocks by plan and section.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however acknowledges it as a low risk.

The resource for the Sirenggok prospect has been classified into the Inferred category.

In Cube's opinion the resource classification assigned is appropriate given the mineralisation continuity, differences in drilling techniques and assay quality, and drill density.

7.6 Exploration Potential

The deposit remains open, both at depth and to the NE and SW along structural strike. While numerous targets exist in the Sector, two are of immediate interest:

- Geophysical Resistivity Anomaly – Results of a DIGHEM geophysical survey conducted across the project area identified several resistor anomalies. One, slightly oblate and trending NE-SW (Figure 7-3) appears to be approximately 500 m long and is aligned between the Krian and Tai Parit faults, the same structural trend implicated with the historic Tai Parit mine (with reported historic production of 1.2 Moz Au from < 80 m depth).
- Strike and Depth Extensions – The main deposit remains open along strike to the SE, where all holes have recorded mineralised intersections, while the deposit also remains open at depth. This area features a large (~1,000 m by 400 m) underlying DIGHEM resistivity (high) anomaly, possibly indicative of silicification. Other resistor anomalous zones occur to the southeast and northwest of the main mineralisation (Figure 7-3).

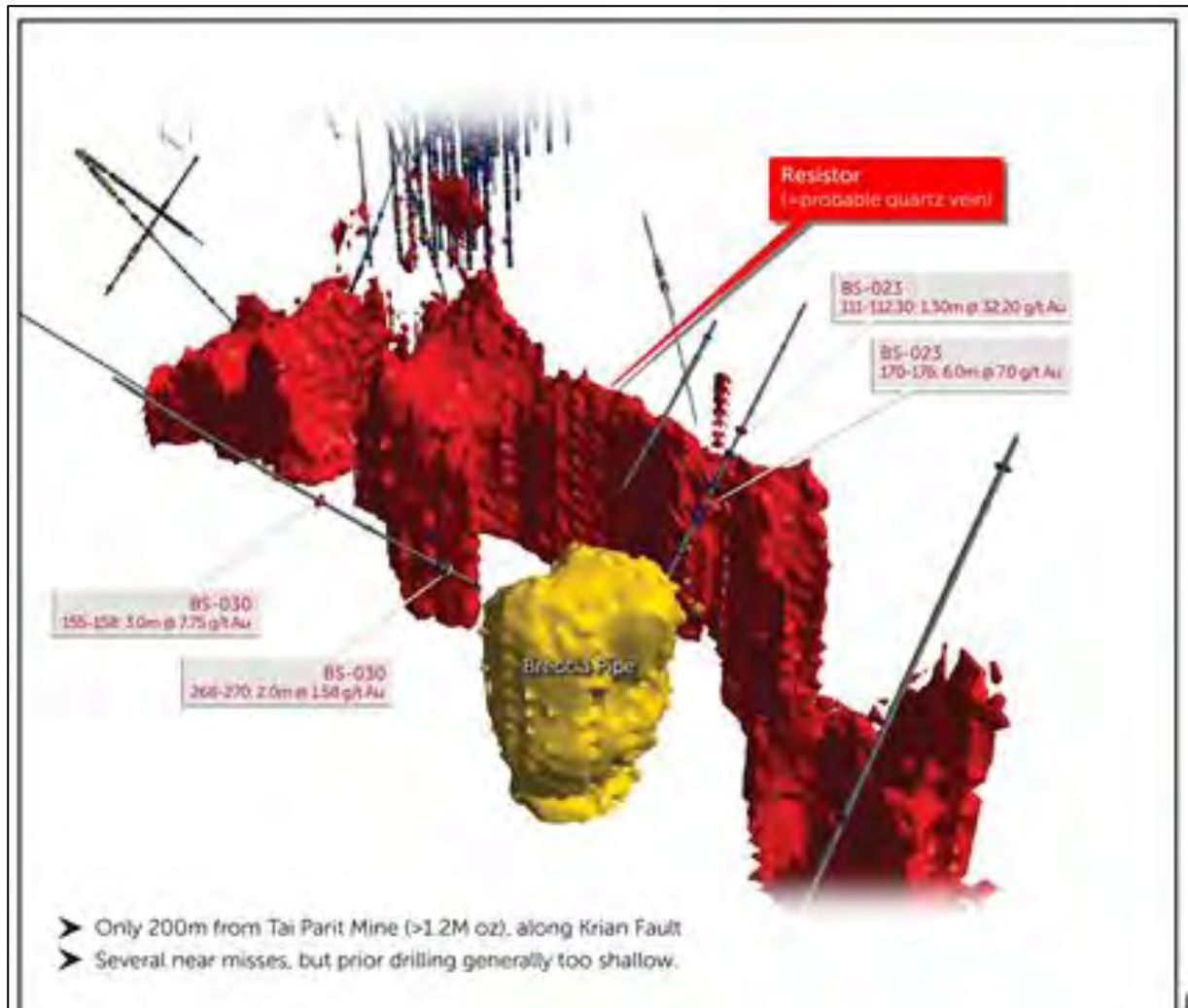


Figure 7-3: Graphical Representation of DIGHEM Anomalies identified at the Sirengkok Prospect

Cube has reviewed the proposed work program for the Sirengkok area and concludes that it is appropriate to meet the stated objectives listed in Section 10.1.3.



8.0 TAITON SECTOR

8.1 Property Description

The Taiton Sector lies some three to four kilometres southwest of the Bau township and is easily accessed via sealed and gravel roads. The mineralisation types are dominantly mangano-calcite veins and breccias and remnants of the extensive elluvial auriferous clays that were mined historically by the Chinese miners of the late 19th and early 20th century.

The main target areas aligned with the Tai Parit Fault are, from south to the north, Tabai, (which includes the former Rumoh Mine), Taiton A, Overhead Tunnel (over a strike length of approximately 1.2 kilometres), Bungaat, and Saburan. Those prospects aligned with the northeast Taiton Fault are Umbut, Taiton B and Taiton C. A geological plan showing the mineralisation outlines at the Taiton Sector are shown in Figure 8-1.

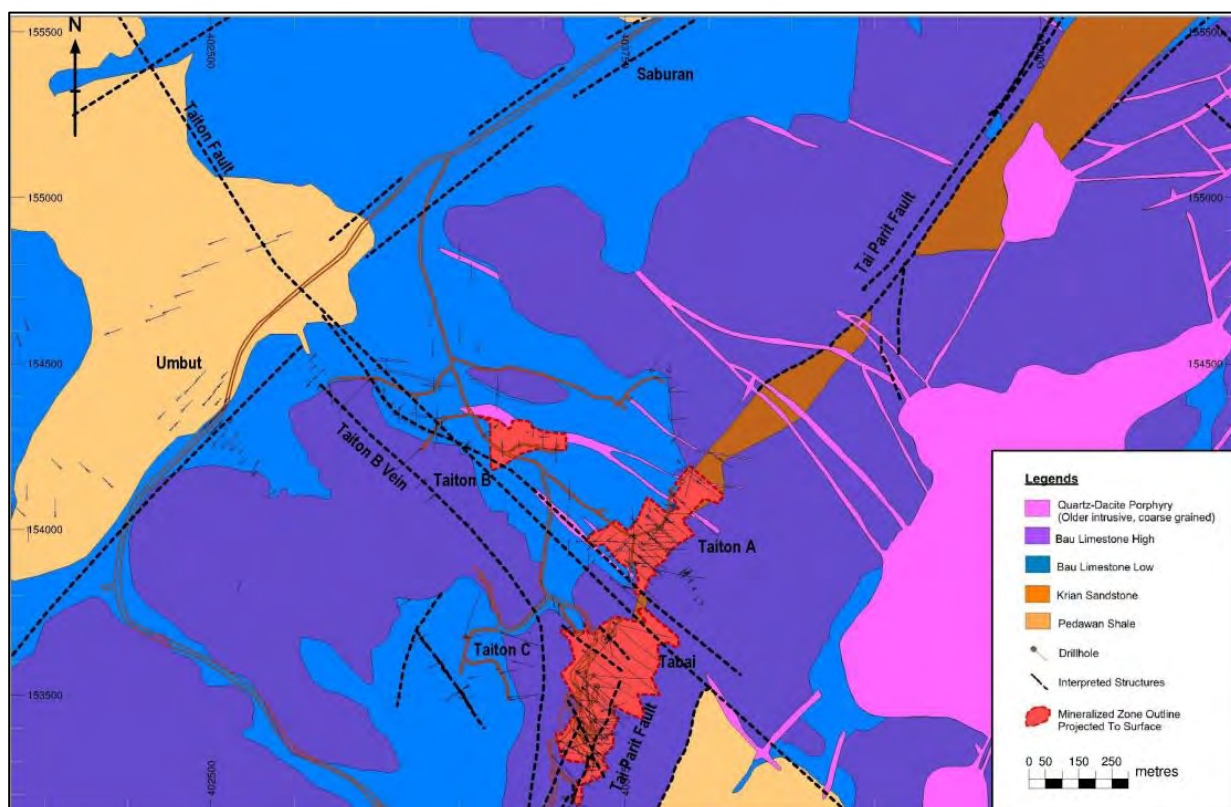


Figure 8-1: Surface Outline of Gold Mineralisation at Taiton Sector

8.2 Geological Setting and Mineralisation Styles

8.2.1 Tabai

Tabai (including the former Rumoh mine) is developed on a vein system up to 23 metres wide (observed), mostly composed of brecciated mangano-calcite veins, frequently vuggy with drusy quartz infilling and overgrowths along with patchy silicification, auriferous clay, arsenopyrite, realgar, stibnite and native arsenic. The drill programs in 2010 to 2011 and subsequent modelling has traced the mineralisation essentially as far as Taiton A with a small (less than 100 metre) separation between the two.



There are up to four sub-parallel NE to NNW trending gold mineralised structures that persist to depths of 300 metres below surface in drilling. The vein system remains open at depth and along strike to the south, while to the north it merges with Taiton A.

Mineralisation is largely confined to structures within the Bau Limestone; however, there are instances of gold being developed within vuggy drusy quartz veins along contacts with intrusive dacite porphyry dykes.

8.2.2 Taiton A

Taiton A is approximately 400 metres further north along strike on the Tai Parit Fault structure. It comprises the Taiton A open pit, the northwest striking Overhead Tunnel adit above the Taiton A pit, and several adits that are located at the base of the limestone bluffs.

There are several mineralised northwest fault structures trending toward, intersecting and cross cutting the Tai Parit Fault zone. The main northwest structure, the Overhead Tunnel adit, lies vertically above the Taiton A pit and continues in a southeast direction for several hundred metres.

Numerous old mine pits occur near the intersection of these prominent NW-SE trending structures with the NE trending Tai Parit Fault system. Exposure at the Taiton A pit is limited, however the extensive drill core inventory shows mineralisation passes from an upper zone of auriferous secondary clay deposits into primary ore comprising mangano-calcite veining with abundant native arsenic, realgar, arsenopyrite, some silicification and drusy quartz veining, brecciation and massive white calcite veins.

A notable feature of Taiton A is that drilling has shown mineralisation persists to at least 300 metres vertically and is open at depth. The mangano-calcite vein style is most common within the Bau Limestone but there is also a common association with the contact zones of northwest trending dacite porphyry and andesite porphyry dykes and often weathering of auriferous clay to depths of 100 m plus vertically below surface.

8.2.3 Taiton B and Taiton C

The Taiton B massive mangano-calcite vein has now been mapped over 1.5 kilometres of strike length and includes the section known as Taiton C. It trends NW-SE and a 700 metre section of this vein has historically been mined underground. Strike and depth extensions remain unexplored.

Mineralisation in detail is confined to mangano-calcite, quartz with bands and pods of realgar, arsenopyrite and stibnite. The vein is generally steep dipping to the northeast with some flatter lying zones predominantly developed in the hanging wall that are composed of banded fine-grained silica, native arsenic, arsenopyrite, realgar and rare stibnite.

8.2.4 Umbut

The Umbut area lies to the northwest of Taiton B and partially straddles the Krokong Road. It is described by Bukit Young in internal memos from the mid 1990's as having mineralisation within quartz calcite ore and within the shale limestone contact.



8.2.5 Bungaat

The Bungaat area lies approximately 400 metres north of Taiton A. It comprises a NW-SE trending zone of mineralisation with native arsenic, realgar and coarse calcite vein material developed in a steep dipping structure with a well-developed sub-horizontal set of mineralised calcite veins peripheral to the main structure.

8.2.6 Saburan

The Saburan prospect lies on the Tai Parit Fault approximately one kilometre north of Taiton A. Saburan mineralisation is similar in character to Taiton A and Tabai.

8.3 Previous Exploration

In May 2011 a detailed geological mapping exercise was undertaken by NBG geologists of the Bungaat prospect located north of Taiton A. The mapping concentrated inside the Bungaat adit and along the outcrop to the west and south of the adit. Additionally, a total of 25 channel samples were collected, with results indicating mineralisation is erratic and typically low grade.

Mapping identified a distinct northwest-trending and moderately northeast-dipping thrust-fault is a primary control on the local structures, producing zones of extensional cracks, openings and veining along the hanging wall and footwall. A late fault system striking north-northwest produced steep fractures and micro-faults that traverses and slightly displaces these veins.

The lithology in the area largely consists of massive, medium to dark-grey, micritic limestone exhibiting rugged, karst surface texture in certain parts. Steeply-dipping fractures generally trending northwest commonly cut the limestone.

Veining observed along outcrops south and west of the Bungaat adit consists mainly of extensional, white to grey, coarse-crystalline to sparry calcite and generally trends northwest and steeply dips to the southwest and northeast.

In September 2011 NBG completed a trenching program at the Taiton A and Taiton B prospect areas for the purposes of collecting geological information. A total of 11 trenches were excavated to a maximum depth of 2.5 metres at various orientations approximately orthogonal to the mineralised structures, with a total of 534 channel samples recovered. In addition, historical mining areas were geologically mapped.

Trenches were excavated in order to delineate the extent of mineralised shallow intrusive dykes intersected in drilling that had yielded some significant values of gold. This intensely quartz+sericite altered intrusive dyke contained fine disseminated sulphides of mainly pyrite with some specks of arsenopyrite. Several wide intrusive dykes that generally trend northwest (300-330°) and dip steeply (70-80°) southwest were also identified and are orthogonal to the main Tai Parit fault system.

8.4 Historical Production

There has been extensive small-scale mining within the Taiton Sector as summarised below.



From about 1904: Borneo Company Limited mined four deposits located on the limestone flats. The individual pits were mined up to 25 metres depth by open cut. Three of the deposits were located at the base of limestone cliffs around the edges of the valley, but the fourth was hosted in a porphyry dyke in the centre of the valley. The ore obtained from the area was treated at the Bidi Processing Plant. The Borneo Company Limited ceased operating in 1921.

From 1921: The area was worked by local Chinese who mined the remaining small auriferous clay pockets in the limestone flats.

1931: The Tai Ton Gold Mining Syndicate commenced mining in the area but was stopped prematurely in 1941 owing to the Japanese occupation. Mining recommenced in 1947. The Tai Ton Mining Syndicate mined a large quartz-calcite vein at Gunong Palat Kolong (Tai Ton Tunnel). The vein mined was 300 metres long, averaged three metres in width and averaged 7 g/t gold. Primary gold ores were mined from underground workings at the summit of Gunong Tabai and other limestone hills.

Between 1947 and 1954: A total of 1,549.5 fine ounces of gold had been produced from 15,429 tonnes of ore extracted from deposits in the Tai Ton valley (Wilford, 1955). Simultaneously primary ores were produced from underground workings at Badug, just south of Tabai. These mines were operated by the Rumoh Gold Mining Company (Wolfenden, 1965).

Between August 1984 and November 1995: Priority Trading Sdn Bhd, a sister company of Gladioli Group, extracted ore from six different sites within the Tai Ton MLs. Most of the ore mined came from the Gunong Palat Kolong vein (Tai Ton Tunnel) mentioned above. 57,360 tonnes of ore, grading 2.33 g/t gold were mined from the main vein. Another 72,494 tonnes averaging 3.15 g/t gold was mined from an off-shoot of the main vein. Mining ceased when the ore became refractory around the level of the present-day water table.

From the Bungaat Deposit located on the north side of the valley, 23,592 tonnes of ore at an average grade of 3.15 g/t gold was extracted. The Tai Ton Open Pit was previously mined by the Borneo Company and is situated at the eastern end of the valley localised along the Tai Parit Fault. A total of 16,608 tonnes of ore was mined, grading 6.06 g/t gold. Two smaller pits near to the Tai Ton Open Pit were also excavated but the ore possessed lower gold grades (3,608t @ 1.56 g/t Au; 6,392t @ 1.71 g/t gold). The Tabai Deposit yielded 81,964t grading 3.84 g/t gold.

8.5 Mineral Resources

Reporting of Mineral Resources within the Taiton Sector was originally completed in 2010 by Terra Mining Consultants/Stevens & Associates (TMCSA). In 2011 the estimate for the Taiton A prospect (excluding the Bungaat portion), the Tabai, and an extension to Taiton B prospects were updated by Besra to incorporate additional drilling, with revised Mineral Resources reported. Current reporting for the sector totals 1.52 Mt at 2.75 g/t Au in the Indicated category, with an additional 3.42 Mt at 1.74 g/t Au in the Inferred category. These resources are reported from five individual block models.


Table 8-1: Reported Mineral Resources for the Taiton Sector (effective November 2012⁵)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Taiton	Taiton A	Indicated	0.5	1,148,000	2.23
		Inferred	0.5	690,000	1.37
	Tabai (Open Pit)	Indicated	0.5	133,000	2.83
		Inferred	0.5	75,000	1.74
	Tabai (UG)	Indicated	2.0	236,000	5.23
		Inferred	2.0	40,000	4.67
	Taiton B	Inferred	0.5	1,848,000	1.56
	Umbut	Inferred	0.5	690,000	2.26
	Overhead Tunnel	Inferred	2.0	76,000	3.36

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube were provided the block models, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by TMCSA for the 2010 estimates and by Besra for the updates completed in 2011.

All data used for the 2010 resource definition and the 2011 resource update were supplied or sourced by/from Besra or determined by TMCSA (2010 resource) from available information. A data validation, cross checking and rectification process was undertaken prior to all resource modelling to verify all data and sources as best as possible, particularly with respect to the historic data.

Historical documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format were reviewed.

The drilling completed in the Taiton Sector up to the 2010 resource estimate consisted of a total of 300 holes for 19,125.58 metres, with an additional 78 diamond holes for 13,663.85 metres drilled in 2011 in the Taiton A, Tabai, and Taiton B prospects. The 2010 drill holes consisted of 310 RC holes and 380 diamond cored holes in BQ, NQ, HQ & PQ sizes. All drill holes drilled in the 2011 drilling program were diamond cored at PQ (collar) and HQ sizes.

⁵ In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Taiton has been reviewed and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), takes responsibility for the integrity of data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated at the topographic surface.

Cube has reviewed the mineralisation domains developed for each of the Taiton B, Umbut, and Overhead Tunnel block models. Cube considers the interpretation of domains within these prospects appropriate based on the drill hole data provided.

Review of the mineralisation domains for the Taiton A and Tabai block models shows numerous domains with limited strike or dip continuity or demonstrating significant changes in orientation between drill sections. In Cube's opinion the mineralisation interpretation should be simplified, with a focus on improving consistency of domains between interpreted sections. Further, numerous construction issues can be observed. Cube considers the impacts of these factors to be a low risk to the reported resources.

TMCSA (2010) and Besra (2011) completed sample statistics for each of the modelled areas, and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to determine appropriate grade caps for each estimation dataset. Grade caps applied varied between 9.77 g/t Au and 41.84 g/t Au

The gold grade distributions within the respective model areas were reviewed and considered to be broadly log-normal in their behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defines the strike, dip and dip direction. These semi-variograms were used to determine the nugget, sill values and ranges. A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions.

The modelled log semi-variogram values were back calculated to normal semi-variograms. Standardised back transformed nugget values varied between 0.17 to 0.53, with ranges for the first structure up to 12 metres, while the ranges of the second structure extended up to 55 metres.

Ordinary Kriging (OK) was used to estimate gold grades into parent cells of 10 m X x 10 m Y x 5 m Z for all block models with the exception of Tabai which used cell sizes of 5 m X x 5 m Y x 5 m Z. Besra reported the search parameters were derived from the variogram analysis. Search distances for the first pass were set at the variogram range of the second structure, with a second pass doubling the search distances of the first. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.



In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell sizes applied to the respective models are smaller than the average drill hole spacing would dictate. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.

Density sampling was conducted during the 2011 drilling with values used to interpolate bulk density values into the Taiton A, Taiton B and Tabai block models using the inverse distance technique. For the 2010 resource areas the density values were assigned based on limited average recorded densities reported from samples across the Taiton and Bekajang-Krian Sectors. The average values by lithology were assigned to the block model density.

Cube considers the average density values assigned to be appropriate for the geological units described.

Validation of the block estimates was done by application of a check estimate using inverse distance to the power of two (ID^2), with estimation parameters used as for the OK estimates. The results are described as being acceptable allowing for differences as a result of the estimation technique.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however acknowledges it as a low risk.

The resources for the Taiton A and Tabai prospects have been classified into the Indicated and Inferred categories. The applied criteria for Indicated assignment is described as areas in which 2011 drilling confirmed historic results; where drilling density was at, or less than 25 metre spacing; where numbers of samples used for the block estimate were greater than 20; where blocks were estimated in the first pass; and where additional density data was available. Remaining mineralisation was classified as Inferred.

The resource for the Taiton B, Umbut, and Overhead Tunnel prospects has been set to a maximum category of Inferred based on the relatively sparse and irregular drilling and assigned density values.

Assignment of resource classification should consider a range of criteria including drill density, sample quality, sample types, geological confidence, mineralisation continuity, estimation statistics, and model validation results. Review of the Taiton A and Tabai resources shows areas with limited drill support and areas of extrapolation outside of drilling with an Indicated classification. In Cube's opinion this is optimistic as mineralisation continuity is not demonstrated, and the significant variations in mineralisation interpretations between sections further reduce confidence.

The Tabai resource has been separated into open pit and underground components. Cube has been unable to ascertain the criteria for this demarcation and as such has considered the Tabai resource as a single entity.



Cube have been provided with depletion solids for the development completed in the Overhead Tunnel prospect. It is unclear to Cube whether the resource figures reported have been depleted by this development. This is considered a low risk as an independent check report run by Cube shows the depletion volume to be relatively minor.

8.6 Exploration Potential

Drilling within the Taiton Sector has been completed at various orientations and drill spacing restricted by topographical and surface features (ponds and lakes). As a result, mineralisation limits are poorly defined with potential for extensions to the currently modelled mineralisation in most areas.

The extensive historical mining in the sector reflects the potential of the area, including the presence of localised high-grade zones of mineralisation above the water table presenting non-refractory sources of mineralisation.



9.0 SAY SENG SECTOR

9.1 Property Description

The Say Seng Sector is situated approximately 3-5 kilometres northeast of the town of Bau and is a set of two deposits based on discrete geographical areas as defined by the drilling to date. These deposits have been modelled separately and are Bukit Sarin and Say Seng.

9.2 Geological Setting and Mineralisation Styles

9.2.1 Say Seng

The Say Seng prospect is located between the west flank of Gunung Pangga and the Buso roads, about three kilometres northeast of Bau. Mineralisation at Say Seng appears to be controlled by steep structures within limestone, shallow dipping bedding plane parallel features, limestone shale contacts associated with the Say Seng Fault, and intrusive contacts.

The major bounding and controlling influence on mineralisation is the Say Seng Fault, a high angle reverse fault. Massive Bau Limestone, locally largely recrystallised to white marble, has been upfaulted against black shales of the Pedawan Formation. Porphyry dykes were intruded and mineralisation occurs along the fault zone as steep feeder structures and locally as veins along bedding planes in the limestone/marble. Gold mineralisation is associated with high sulphide contents.

9.2.2 Bukit Sarin

Bukit Sarin lies approximately 4.5 kilometres northeast of Bau and is located near the intersection of the NW-SE Kojok Fault and the NE-SW trending Say Seng Fault. The area is described in (Wolfenden, 1965) as comprising quartzose Sb-Au ore in a quartz-shale breccia. There are similarities to Jugan in terms of geology and mineralisation style.

Significant gold mineralisation occurs in many of the previous holes drilled and consists of very fine, almost invisible needles of arsenopyrite hosted in shale, sandstone and to a lesser extent limestone. Better grade intersections are located in sandier and more deformed beds, adjacent to intrusive contacts.

9.3 Previous Exploration

Exploration activities within the Say Seng Sector have been relatively limited in comparison to those completed across other sectors within the Bau project. The work that has been completed has principally focussed on the Bukit Sarin prospect.

In 2013 NBG completed a review of the structural and mineralisation interpretation of the Bukit Sarin prospect (Go, 2013). This work strengthened the hypothesis that the Kojok Fault is probably the main conduit of Au mineralisation and later or younger intrusive dykes. Gold mineralisation is interpreted to spread laterally and vertically along favourable environments like fault/breccia/shear zones, fault intersections, lithological contacts and to any adjacent weak planes or openings such as cracks, cavities and vugs.



Besra completed a grid soil sampling campaign during May and June 2013 across the Bukit Sarin area on a nominal 50 metre grid spacing (Figure 9-1). A total of 175 samples were collected across the grid, with some grid locations not sampled due to cultural restrictions (landowners, cemetery) and surface features (swamps, lakes). Results were compared to the signatures developed from the Jugan ridge and spur sampling with similar trends between gold and path finder elements observed.

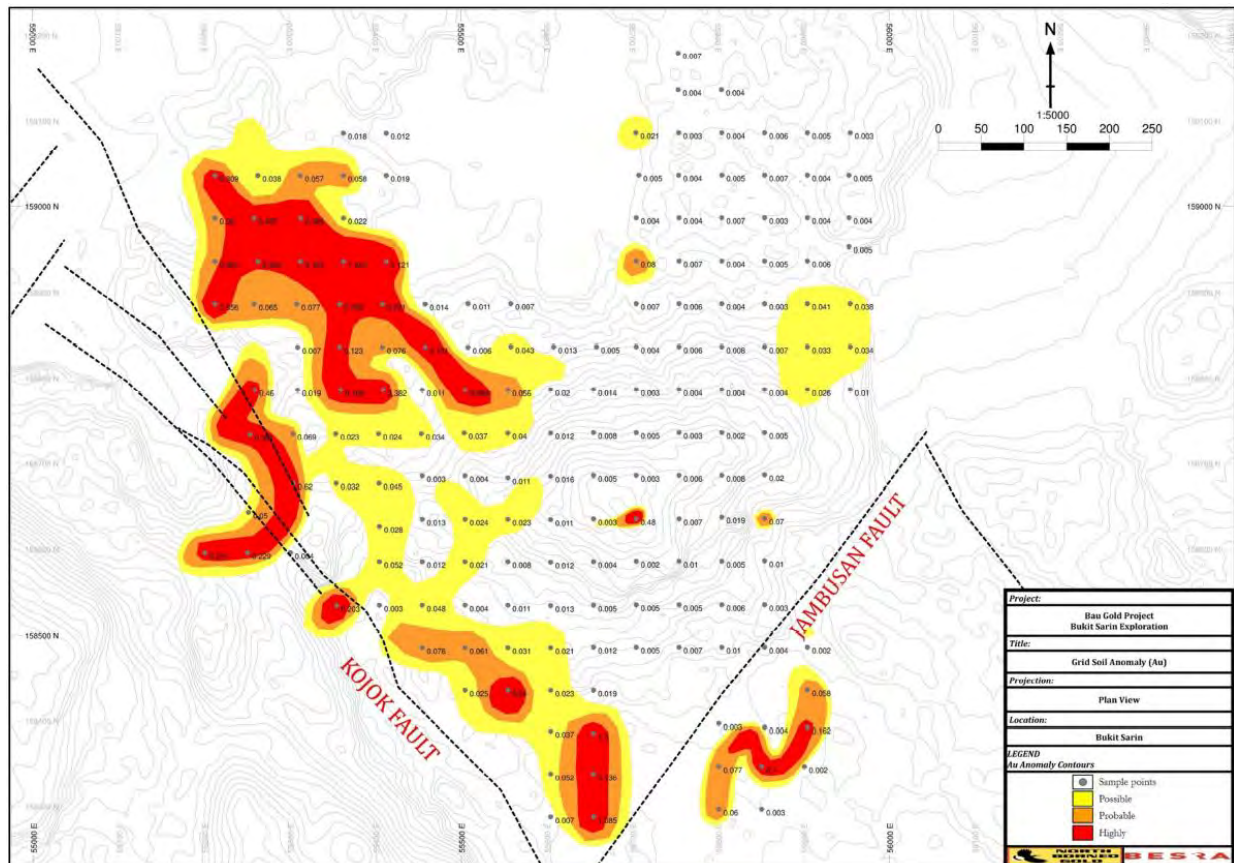


Figure 9-1: Soil anomaly contours for element Au (ppm). Main anomalous gold regions are structurally controlled by the faults and intrusive-shale contact in the northwest

9.4 Historical Production

The Say Seng area is currently operated as a large limestone quarry by the Gladioli Group and forms part of the joint venture area with NBG.

Historically stibnite was mined here in the 19th Century, while gold has been mined intermittently since the 1930's. Monthly production at times during the 1930's was as much as 1,000 ounces of gold. The total production and average grade are unknown (Besra Gold Inc., 2013).

Ore has been extracted from two and possibly three opencast workings along the Say Seng Fault and to a lesser extent, from underground workings.

9.5 Mineral Resources

Reporting of Mineral Resources within the Say Seng Sector was first completed by Besra in 2011 following review of historical information. Current reporting for the sector totals 1.35 Mt at 1.63 g/t Au in the Inferred category (Table 9-1). These resources are reported from two individual block models.

Table 9-1: Reported Mineral Resources for the Say Seng Sector (effective November 2012⁶)

Sector	Prospect	Category	Cut-off (Au g/t)	Tonnes	Grade (Au g/t)
Say Seng	Say Seng	Inferred	0.5	244,000	3.24
	Bukit Sarin	Inferred	0.5	1,110,000	1.27

Details pertaining to the Mineral Resource estimate were provided in the Bau Feasibility Report (Besra Gold Inc., 2013) for review by Cube. In addition, Cube was provided the block model, drill hole data, mineralisation domains, and relevant geological features. The relevant JORC Table 1 document is included in Appendix 1.

The following is a summary of the work completed by Besra in 2011 for the Say Seng and Bukit Sarin prospects.

All data used for 2011 resource estimate was sourced by Besra or determined from available information. A data validation, cross checking and rectification process was undertaken prior to all resource modelling to verify all data and sources as best as possible. All data used in the reporting of the mineral resource is considered historic in nature.

Documents and internal reports were reviewed as part of the resource update. Additionally, numerous notes, plans, sections, memoranda and other documents, both in digital and hardcopy format were reviewed.

The combined drill hole information used for the estimates at Say Seng and Bukit Sarin consisted of a total of 39 holes for 5,270.2 metres. The drill holes consisted of 26 RC holes (all drilled at Bukit Sarin) and 13 diamond cored holes in HQ & NQ sizes (all at Say Seng).

The mineralisation domains were defined in section using a ≥ 0.5 g/t Au lower cut-off, with sections stitched together and cross-checked in plan view. Mineralisation domains may include assays below the lower cut-off value where they fall within overall mineralised zones and cannot be excluded due to their isolated nature. Where zone continuity was not demonstrated extrapolations were made to the midpoint of the selected sections. Modelled mineralisation was terminated by the topographic surface.

Cube has reviewed the mineralisation domains developed for each of the Say Seng and Bukit Sarin block models. Cube considers the interpretation of domains within these prospects appropriate based on the drill hole data provided.

⁶ In accordance with the Australian Security Exchange Limited Listing Rules Appendix 5A. The information in this report that relates to Mineral Resources for Say Seng has been reviewed and verified by Kevin J. Wright who is an independent consultant of Besra Gold Inc. Mr Wright (C.Eng), is a Fellow of the Institute of Materials, Minerals and Mining (IMMM), takes responsibility for the integrity of data that have been used to prepare the Mineral Resource, and for the Geological Model. Mr Wright has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wright consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



Besra completed sample statistics for each of the modelled areas, and subsequently reported composite statistics once sample data was composited to one metre. The composite length was selected based on the dominant sample length within the database. All samples at Bukit Sarin were at one metre intervals so no compositing was required.

A quantile analysis was run for Au at ten primary percentiles (10% ranges) with secondary percentiles at 2.5% increments determined within the 90% to 100% interval. This data, together with log histograms and cumulative log histograms, was used to determine appropriate grade caps for each estimation dataset. Grade caps applied varied between 7 g/t Au (Bukit Sarin) and 44.6 g/t Au (Say Seng).

The gold grade distributions within the respective model areas were reviewed and considered to be broadly log-normal in their behaviour. A log transform was applied to the drill hole composite data and semi-variogram analysis completed.

Downhole, horizontal and vertical increment semi-variograms were tested, however due to lack of conclusive structures, no variogram models could be generated. Both the Say Seng and Bukit Sarin models were estimated using inverse distance to the power of two (ID^2).

Gold grades were estimated into parent cells of 4 m X by 4 m Y by 2 m Z for the Say Seng prospect and 5 m X by 5 m Y by 2.5 m Z for the Bukit Sarin prospect. Blocks were estimated using a single pass with an isotropic search distance of 40 m in the major and semi-major directions, and 10 m in the minor. A minimum of two samples were required for an estimate and a maximum of 32 samples accepted.

In general parent cell sizes should be defined to approximate half of the average drill density to minimise conditional bias during estimation. In Cube's view the parent cell sizes applied to the respective models are smaller than the average drill hole spacing would dictate. Cube recommends selection of a more appropriate parent cell size to improve estimation quality. In Cube's opinion this represents a low risk to the resource estimate.

Limited density information was available for the Say Seng and Bukit Sarin areas, with average values assigned to the models.

Cube considers the average density values assigned to be appropriate for the geological units described.

Validation of the block estimates was done by application of a check estimate using the nearest neighbour method. The results are described as being acceptable allowing for differences as a result of the estimation technique. Visual validation of blocks versus drill holes in section was also completed and considered acceptable.

No other description of model validation processes is provided in the relevant reports. Validation of block estimates would typically include comparison of domain averages for composites and blocks, and trend plots on strike and bench profiles. These would generally be used to assist in the assignment of resource classification. Cube considers the absence of these standard model validation processes to be a deviation from accepted practices however acknowledges it as a low risk.

The resource for the Say Seng and Bukit Sarin prospects have been classified into the Inferred categories. This reflects the reliance on RC drilling information (Bukit Sarin), and the broad and irregular drill spacing.



Cube considers the resource classification assigned is appropriate given the drill information and related assay confidence.

9.6 Exploration Potential

9.6.1 Say Seng

Limestone-hosted mineralisation is structurally controlled by a subvertical hydrothermal fluid up-flow zone, which has hydraulically injected carbonate replacement style mineralisation into flat lying limestone bedding planes. Altered porphyry-intrusives and calc-silicate alteration of wollastonite and garnet exoskarn have also been intersected. The potential of mineralisation associated with the Say Seng Fault is not fully tested with additional follow-up on historical high-grade intercepts yet to be completed.

9.6.2 Bukit Sarin

Mineralisation drill-intersected proximal to the Kojok and Say Seng fault intersection comprises siliceous Sb-Au ore, hosted within a quartz-shale breccia. Here, as at Jugan, gold grade correlates with arsenopyrite content. Unlike Jugan however, the Bukit Sarin gold grades appear to increase towards intrusive contacts.

The forward exploration approach would be to initially scout-drill the Kojok and Say Seng fault intersection at a deeper level, together with potential for mineralisation along the intrusive contact away from the existing identified mineralisation.



10.0 EXPLORATION STRATEGY AND WORK PROGRAMS

Besra has proposed a budget that will fund work required for resource delineation for five sectors within the Bau project area. The funds would be spent over a two-year period following Besra's capital raising in order to achieve its Business Strategy (Section 3 of the Prospectus) and will be focused on:

- Resource delineation
- Metallurgical studies
- Processing studies
- Upgrading Feasibility Studies
- Regulatory Compliance management

The allocation of available funds, under minimum and maximum subscriptions, are presented in Table 10-1. Descriptions of each of these activities are presented in the following sections of this report. In Cube's opinion the planned prioritisation and exploration programs have been designed to explore the project areas in a prudent and efficient manner.

Table 10-1: Besra's Proposed Use of Funds for First Two Years

Cost Area	Activity	Minimum Subscription (A\$,000s)	Maximum Subscription (A\$,000s)
In-Country	Resource Delineation & Supplementary Services	\$4,029	\$5,839
	Metallurgical Studies	\$405	\$550
	Processing Studies	\$620	\$775
	Upgrading Feasibility Studies	\$200	\$440
	Concession Management	\$500	\$500
	Total	\$5,646	\$8,104

10.1 Resource Delineation

The resource delineation component of the Business Strategy work program is designed principally to:

- Upgrade the classification of resources and ultimately increase of the global resource inventory
- Increase average gold grade of the global resource inventory

During the first two years following listing focus will be on the Pejiru, Jugan, Bekajang and Sirenggok Sectors with planned metres allocated as outlined in Table 10-2 below.



Table 10-2: Summary of Proposed Drilling – Initial Two-Year Period

Sector	Number of Metres	Drill Type
Pejiru	~2,000 – 4,000	Diamond, RC
Jugan/A12	~3,000 – 4,000	Diamond
Sirenggok	~1,500 – 3,000	Diamond
Bekajang	~1,500 – 3,500	Diamond

10.1.1 Pejiru Sector

The proposed Resource Delineation drilling program in the Pejiru Sector assumes 2,000 to 4,000 metres of diamond and RC drill holes focused on infill and step-out drilling, although some RC drilling may be substituted for higher density infill drilling. The majority of drilling will be focused at Bogag-Pejiru. Here the mineralisation occurs in a relatively predictable, shallow, flat lying zone of 15 to 20 m thickness, extending along strike for some 1,500 m length, and varying between 50 m to 150 m wide. This endowment is refractory in nature and related to relative permeability zones within the Bau Limestone, or along contacts between the Bau Limestone and Pedawan Formation. Its spatial distribution is controlled by NW and NE trending faults, the intersection of which creates a distinctive elbow in the orientation of the mineralisation wireframe.

A representative cross-section (Figure 10-1) highlights the existing irregular drilling density, reflective of its Inferred classification. Drilling will comprise infill holes, to increase drilling density and to investigate deeper zones of mineralisation, as well as step out holes designed to extend the overall global resource inventory.

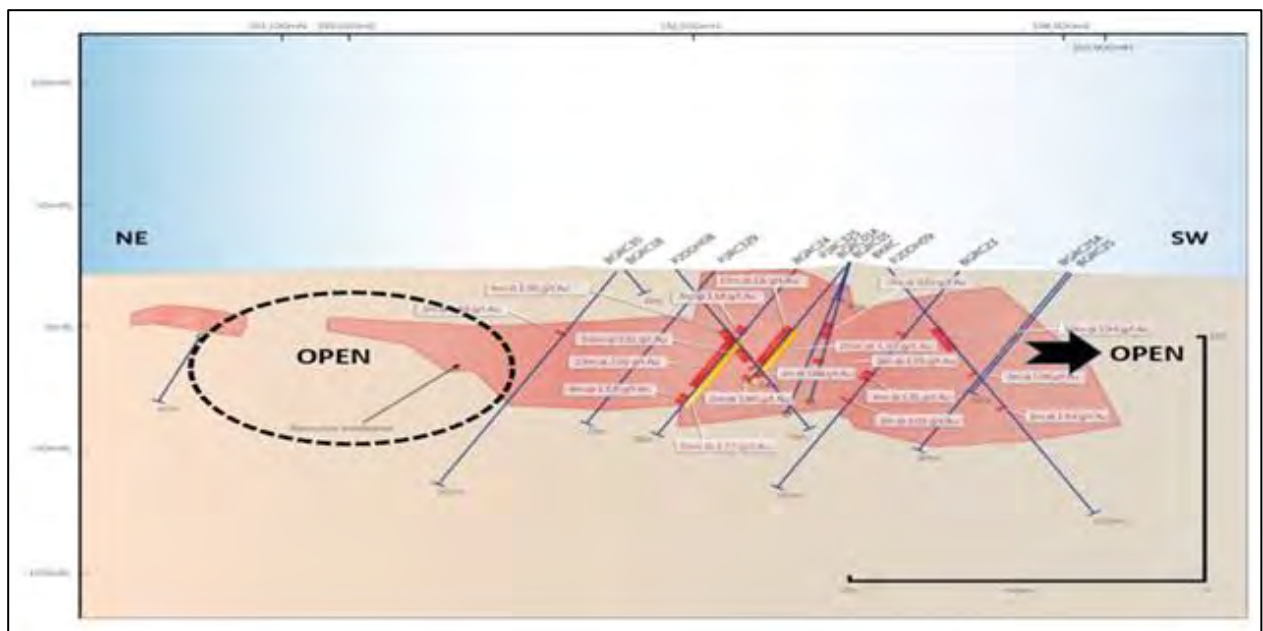


Figure 10-1: Pejiru oblique cross-section looking south east showing drill intercepts and mineralisation wireframe

Additional drilling in the Pejiru area is to focus on subvertical calcitic vein stockwork dissolution zones, fractures and voids formed in association with depressurisation of rising acidic hydrothermal fluids. These interactions caused brecciation, enhancing permeability opportunities within the surrounding wall rock and, in some instances, enabled the endowment of higher-grade refractory and non-refractory gold



mineralisation. Numerous targets are defined across the Pejiru Sector thought to represent this style of mineralisation, with approximately 4,500 metres of drilling planned for testing.

10.1.2 Jugan Sector

Resource Delineation within the Jugan Sector assumes between 3,000 and 4,000 metres of diamond drilling within the main Jugan Hill deposit, as well as test the potential fault offset of the Jugan mineralisation at the Anomaly 12 (A12) target.

Jugan's main mineralised zone plunges to the northwest and is open at depth and along strike. It is largely constrained between hanging wall and footwall shears that strike NE-SW and dip between 55° and 75° to the northwest (Figure 10-2). Intersections by deeper drill holes, such as JUDDH-68A (24.5 m at 7.15 g/t Au with including 11.5 m at 10.42 g/t Au from 317.5 m) suggest that with increasing depth the Jugan mineralisation changes in style, becoming increasingly siliceous and more brittle in its structural competency. It is hypothesised this change facilitates increasing gold grade with the potential for a more non-refractory nature as the mineralisation envelope becomes more constrained.

The main Jugan zone drilling will include infill drilling in the south east portion where mineralisation is shallower, together with deeper drilling to test the potential for increasing grade and less refractory mineralisation with increasing depth.

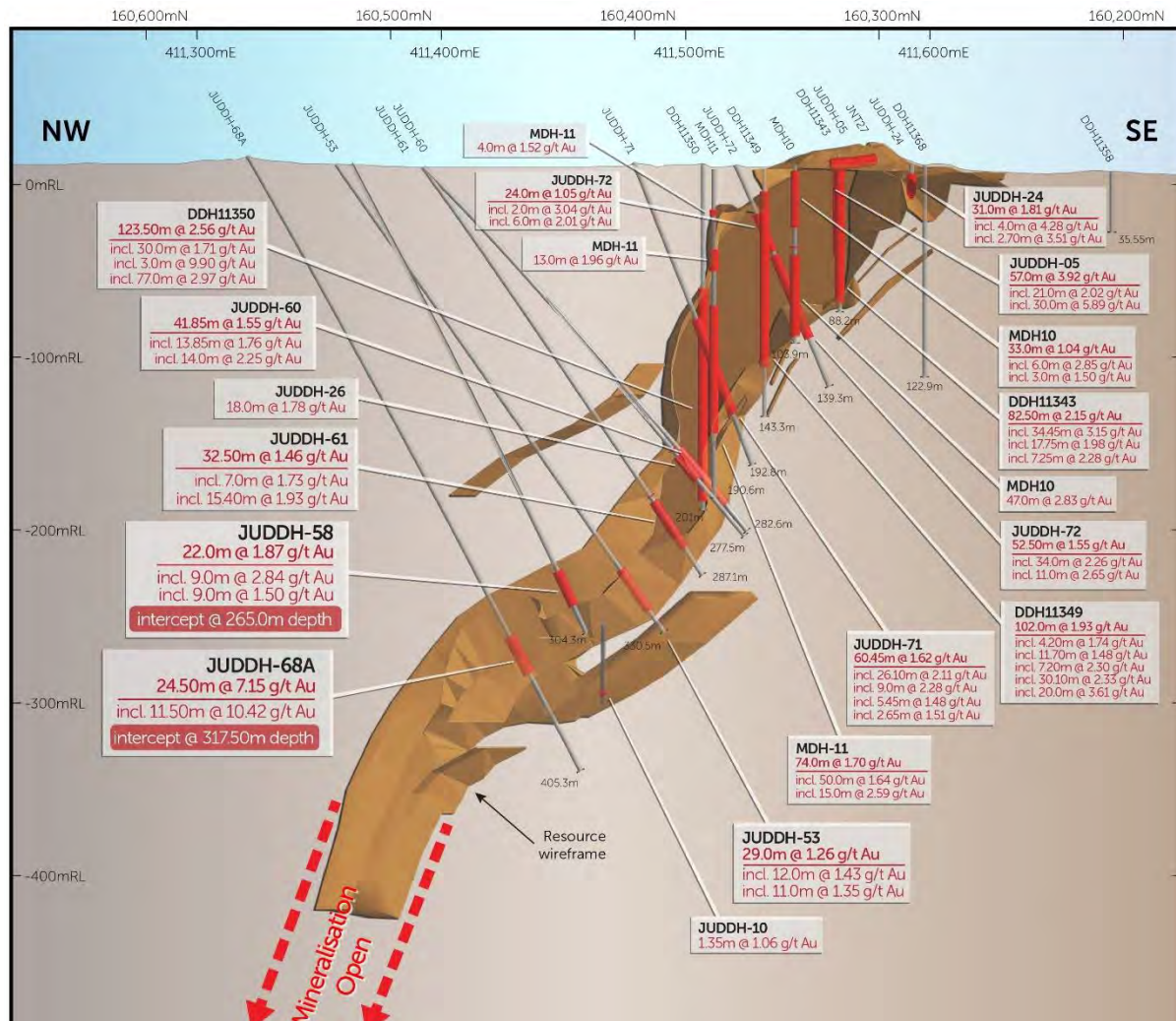


Figure 10-2: Jugan oblique cross-section looking north east showing drill intercepts and mineralisation wireframe

The A12 target is situated approximately 1.5 km south west of Jugan and was identified based on coincident geophysical and geochemical anomaly footprints larger than those of the Jugan deposit and is interpreted to lie along a fault offset of the Jugan trend (Figure 10-3). The presence of jasperoid outcrops across the A12 area suggests the anomaly may represent either a structurally uplifted block relative to Jugan, or alternatively has been subjected to greater hydrothermal fluid exposure, and may share similar characteristics indicated at depth at Jugan with brittle fracture and higher grade gold endowment.

Initial drilling is planned on three transects spaced at approximately 100 m, with three holes drilled along each. This drilling is intended as a proof of concept and if successful, will result in the planning of additional holes in subsequent campaigns.

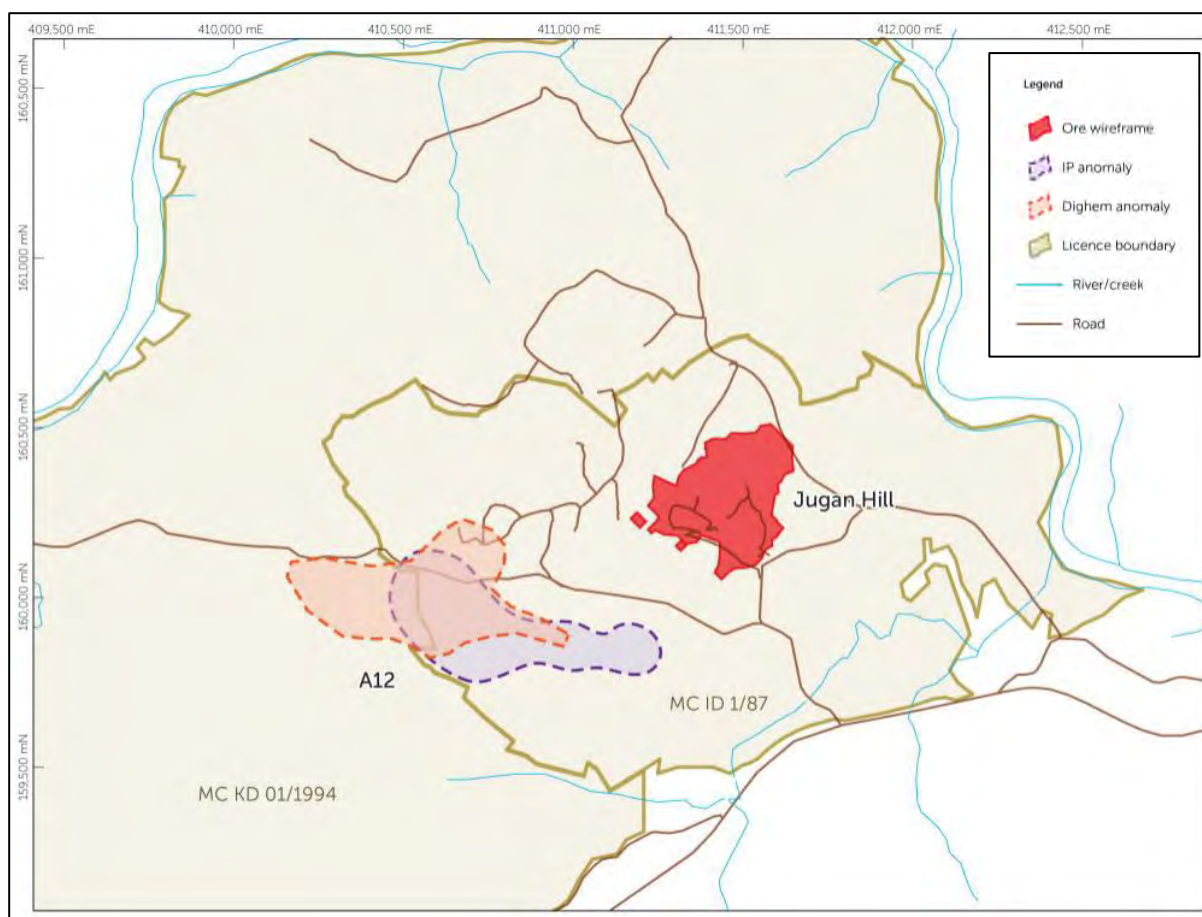


Figure 10-3: Anomaly 12 (A12) and Jugan showing their respective geophysical and geochemical footprints

10.1.3 Sirengkok Sector

Mineralisation at Sirengkok contrasts to that of Pejiru and Jugan in that it is hosted within the Miocene igneous intrusions. Gold-arsenic-antimony mineralisation is hosted in veins, vein stockworks and as disseminations within quartz-sericite to propylitic altered quartz-feldspar micro-quartz diorite porphyry. The host porphyry appears to be a funnel shaped composite body with concentric phases younging inward that intruded through the Bau Limestone and Pedawan Formation and flattened out at higher stratigraphic levels (Figure 10-4).

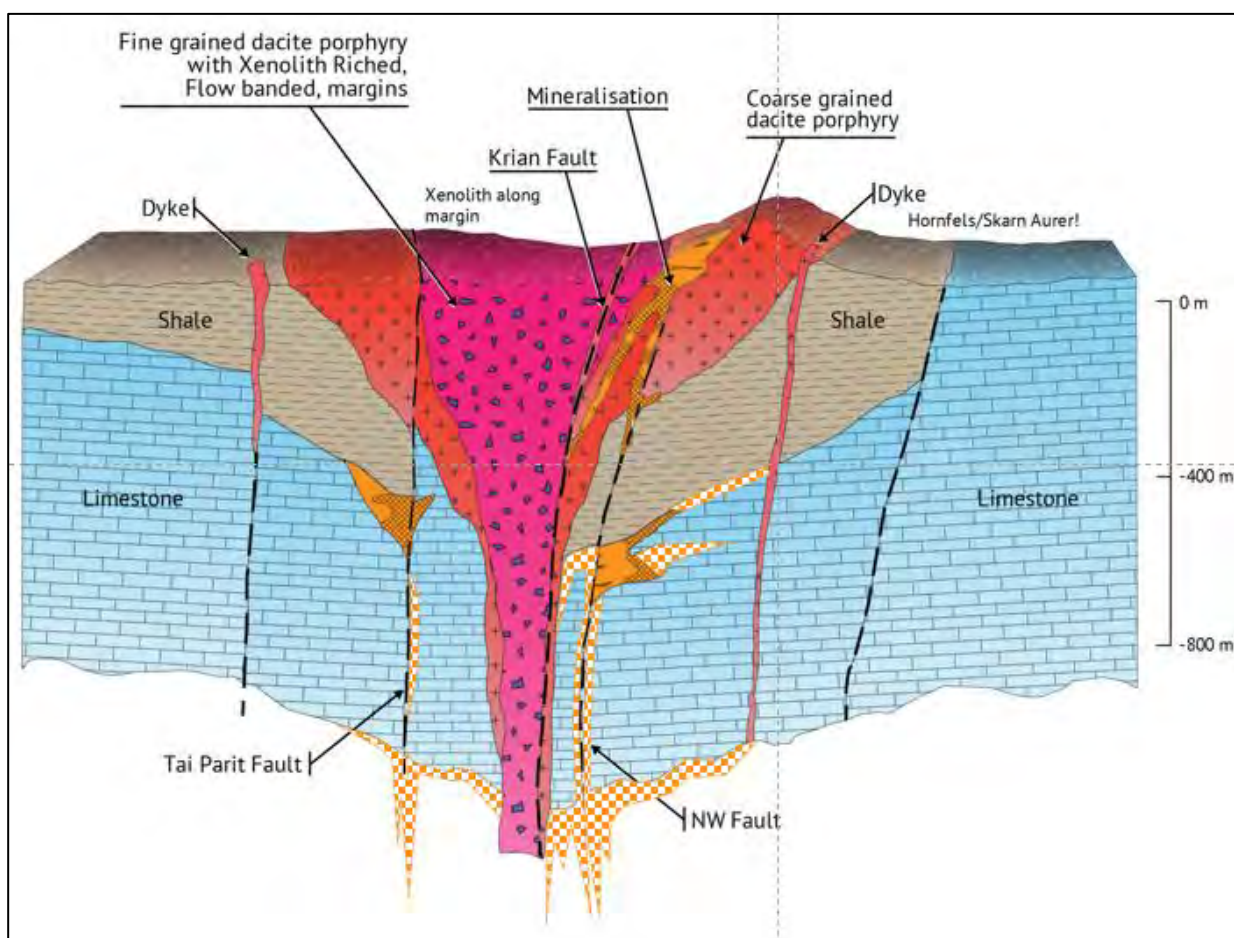


Figure 10-4: Sirenggok schematic cross section

As shown in the representative cross section (Figure 10-5), the mineralisation is hosted within multiple intrusive bodies creating a complicated mineralisation wireframe which locally is open along strike, and at depth. The main trend appears to be NW-SE and steeply dipping to the NE.

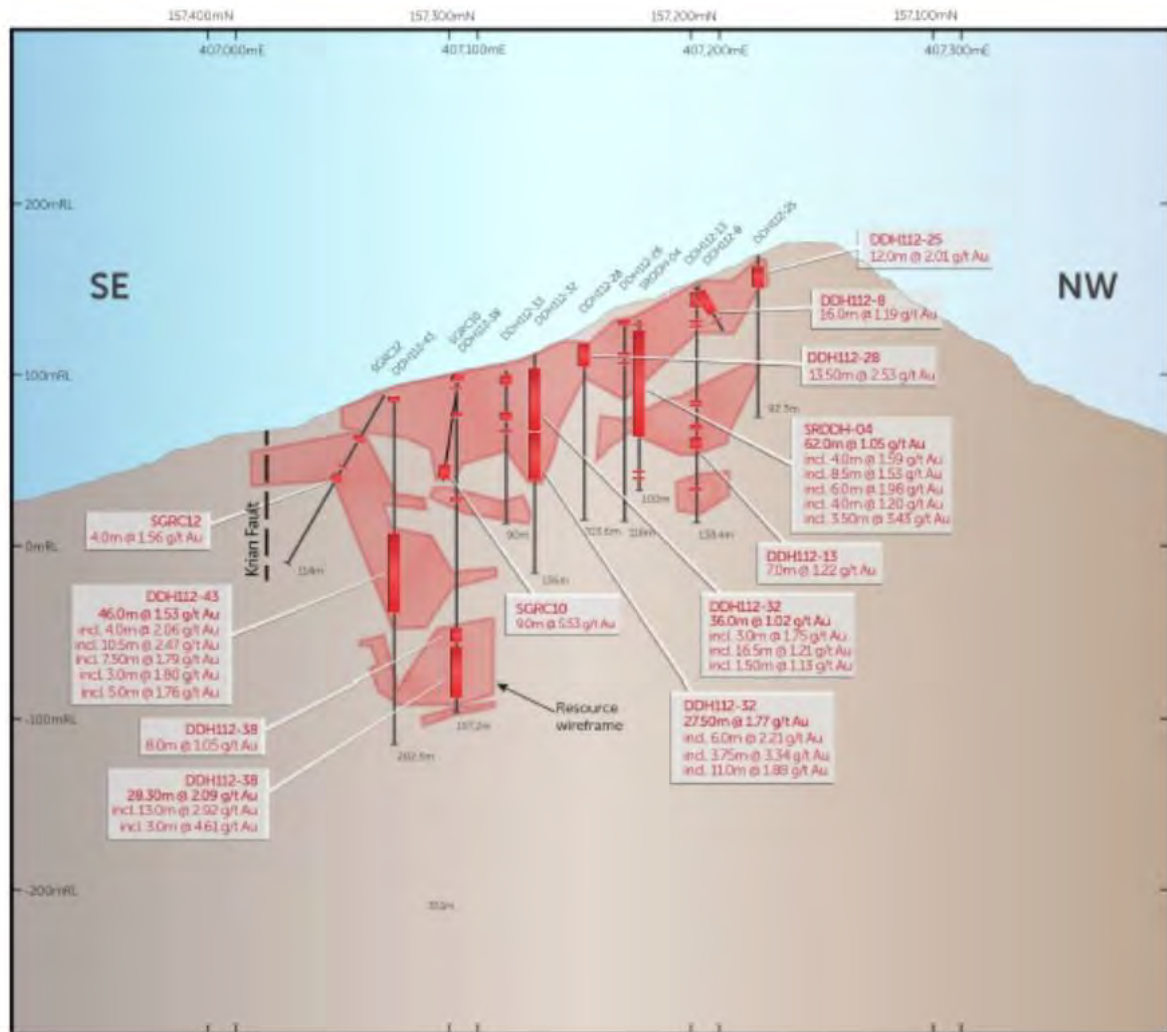


Figure 10-5: Sirenggok oblique cross-section looking south west showing drill intercepts and mineralisation wireframe

A total of 1,500 to 3,000 metres of diamond drilling is intended to extend the current mineralisation interpretation, and to test for potential higher-grade mineralisation at depth associated with geophysical targets, as part of an overall increase in the Resource Delineation.

10.1.4 Bekajang Sector

Bekajang is a highly prospective area containing the Bukit Young-Krian Pit, which shares many similarities with the Tai Parit pit, interpreted as a hydrothermal fluid feeder zone, whose position is controlled by cross faulting dilation. The existing Mineral Resource wireframe (Figure 10-6) shows substantial gaps, including a “halo” surrounding the Bekajang tailings dam within ML 143, where soft surface conditions previously restricted ground access for drill rigs. The identified CDI anomalies are postulated to represent manifestations of deeper mineralisation. The Resource Delineation drilling program will involve 1,500 to 3,500 metres of diamond drilling. This will focus on two targets; shallow infill and step out drilling to establish the continuity and extent of mineralisation on the southern and eastern margins of the Bekajang tailings dam, and reconnaissance drilling to investigate deeper mineralisation beneath the Bekajang tailings dam.

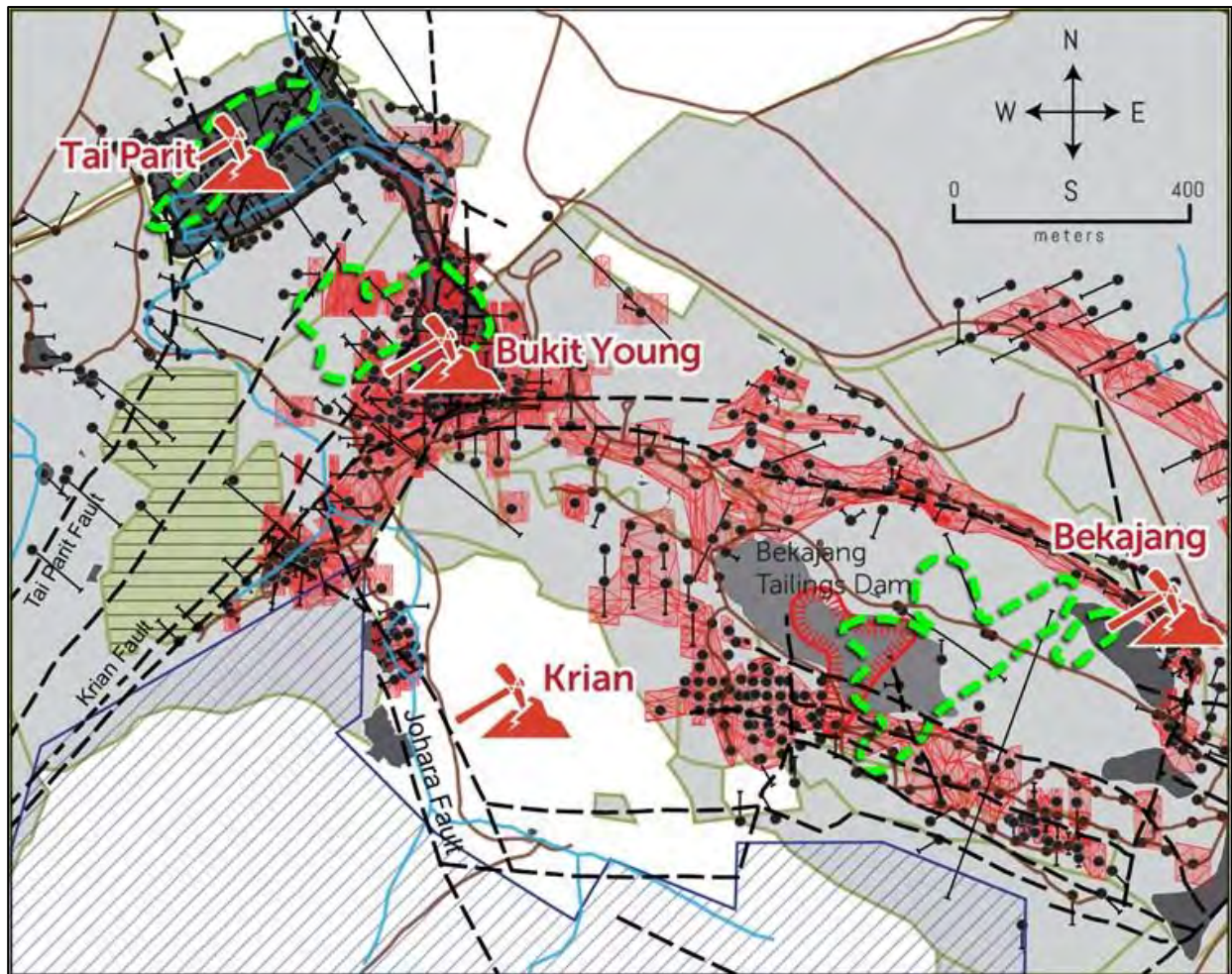


Figure 10-6: Bekajang region showing Mineral Resource wireframes and position of CDI anomalies (green dashed borders) associated with Tai Parit and the Bukit Young Pit

10.2 Metallurgical Studies

Previous metallurgical works focused on the Jugan and BGY prospects which are predominantly hosted in the Pedawan Formation, with new studies aimed at broadening these assessments to include the Pejiru and Sirengkok Sectors' mineralisation. The objectives of these studies are to:

- Provide better understanding of the metallurgy of the potential future ore feedstock in the principal deposits including their spatial and depth variations, as well as various combinations of blended feedstock from multiple deposits.
- Design of processing streams best suited to potential future ore feedstock combinations including consideration of requirements to produce both concentrate and/or doré production.

10.3 Processing Studies

These studies are intended to provide the best overall gold recovery performance based on the characteristics of potential ore feed-stock as determined based on metallurgical studies of Jugan and other key deposits. Specifically, this will entail:



- Review the design of the proposed comminution circuit in relation to ore hardness, competency, slimes production and their implications for operability of comminution and flotation
- flotation response characteristics, including the construction and operation of an on-site pilot plant for on-site studies of bulk and blended samples
- processing streams studies to determine variability of concentrate specifications within penalty ranges
- beneficiation studies, involving additional oxidation and roasting test work aimed at determining optimising chemical breakdown and liberation of refractory gold ore.

10.4 Upgrading Feasibility Studies

Upgraded feasibility studies are intended to provide documentation to higher the standards required for mining approvals and capital raising/funding. These studies will build on previous studies undertaken by Besra including its 2013 feasibility study (phase 1). These studies are expected to address:

- Integration of new results from the Resource Delineation, Metallurgical and Processing studies obtained during the first two years, post-listing
- Comparative cost metrics for a range of processing throughputs, variations in feed-stock, including blended ores. Pit design and mine modelling studies incorporating increased Resource Inventory and grade assuming stand-alone and multiple pit designs.
- Comparative analysis of project commercialisation scenarios including OPEX and CAPEX requirements.

Besra has advanced several mine development applications as part of its mining lease obligations. In addition, several baseline environmental studies having been undertaken of the last few years to inform the environmental impact assessment. It is likely these existing applications will require modification and amendment to incorporate the additional information gained by execution of the work program.

10.5 Regulatory Compliance Management

As noted in Section 3 and Attachment G of the Prospectus, a number of tenements are pending renewal or application, as well as becoming due for renewal in the coming years. An allocation of funding has been set aside to focus on preparing necessary documentation in order to ensure that there is continuing compliance for Besra's activities. This includes the legislative and regulatory mining requirements, as well as coordinating environmental and land-use studies, preparation and approval of operational management, rehabilitation, health and safety, and other mandatory reporting systems.



11.0 CONCLUSIONS

The mineral assets of Besra that are the subject of this report offer the investor exposure to a ground holding of moderate to high prospectivity located in Sarawak, Malaysia. The company is targeting gold, mineralisation within sediment hosted carbonate replacement, magmatic porphyry skarns, siliceous breccias, and epithermal veins.

The exploration portfolio includes numerous existing Mineral Resources, the mineralisation extent for many of which are yet to be closed off, and targets defined by previous operators or by recent interpretations by Besra. Some prospects have generated commercial gold production together with frequent artisanal and small-scale workings.

Cube has examined the exploration program and budget proposed by Besra for the various sectors forming Bau Gold Project. Cube agrees that in each case, the proposed program is based on current technical understanding of the geology of the area, is appropriate for the stage of exploration of the project and that the budget is adequate to undertake the proposed work to the standard indicated by the company.

Besra has proposed exploration budgets that are in accordance with the perceived prospectivity and in balance with the funds expected to be raised.



12.0 DECLARATIONS BY CUBE

12.1 Independence

Cube is an independent Australian owned company of consultants providing a comprehensive range of specialist technical services to the mining industry in Australia and overseas. The organisation is well resourced with an established office in Perth and provides geological consulting services, mining engineering consulting services, technical audits, project reviews, valuations, mineral resource estimations, independent expert reports, and project management.

This report has been prepared independently and in accordance with the VALMIN and JORC codes. The Authors do not hold any interest in Besra, its related parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Cube's standard rates of which the payment is in no way contingent upon the conclusions drawn in this report.

12.2 Qualifications

This report has been compiled by Mr Daniel Saunders (BSc.), who is a professional geologist with over 22 years' experience in mine production, exploration and evaluation of mineral properties within Australia and overseas. Mr Saunders is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC code.



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14.0 GLOSSARY OF TECHNICAL TERMS & ABBREVIATIONS

%	Percentage
2D	Two dimensional
3D	Three dimensional
AC	Air core drilling
Ag	The chemical symbol for the element silver
Anticline	A description of folding of rocks which has produced a convex shape
As	The chemical symbol for the element arsenic
Au	The chemical symbol for the element gold
Au g/t	Gold concentration in grammes per tonne
Au ppb	Gold concentration in parts per billion
Au ppm	Gold concentration in parts per million (equivalent to grammes per tonne)
BCM	Bank cubic metres, a measure of volume applied to unbroken rock
BLEG	Bulk leach extractable gold
BOCO	Base of complete oxidation
Brecciated	Describes a rock composed of broken angular fragments, and generally indicates the presence of a fault zone
Ca	The chemical symbol for the element calcium
Carlin style mineralisation	Sediment-hosted disseminated gold deposits characterised by microscopic and/or dissolved gold in arsenic rich pyrite and arsenopyrite.
CIL	Carbon-in-leach gold recovery process
Conglomerate	A sedimentary rock made up of various sizes of rounded rock fragments, ranging from pebbles to boulders cemented together by a finer grained matrix
CRM	Certified reference material
Cu	The chemical symbol for the element copper
DBA	Database administrator
DC	Diamond core drilling
DIGHEM	helicopter borne electromagnetic survey method to identify conductive features
Disseminated	Mineralisation carrying fine particles, usually sulphides scattered throughout the rock
Fe	The chemical symbol for the element iron
g/cm ³	grams per cubic centimetre
ISO	International Organisation for Standardisation
JORC	An acronym for Joint Ore Reserve Committee which administers the JORC Code, the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC sets the regulatory enforceable



	standards for the Code of Practice for Public Reports to the Australian Stock Exchange. The Code is endorsed by the Minerals Council of Australia, the Australasian Institute of Mining and Metallurgy, and the Australian Institute of Geoscientists.
K	The chemical symbol for the element potassium
kg	Kilogram
kg/t	Kilogram per tonne
km ²	Square kilometres
kms	Kilometres
Kt	Thousand tonnes
Lithology	General rock description based usually on hand specimen
m	Metre
m ³	Cubic metre
Massive	A term used to describe a large occurrence of a pure mineral species, often with no structure
Mineralisation	The presence of minerals of possible economic value or the description of the process by which the concentration of valuable minerals occurs
Mt	Million tonnes
Mt/a	Million tonnes per annum
Mtpa	Million tonnes per annum
NPV	Net present value
Pb	The chemical symbol for the element lead
Porphyry	An igneous rock with relatively large crystals set in a finer grained background mass
ppb	Parts per billion
ppm	Parts per million (same as grams per tonne)
QA	Quality assurance
QC	Quality control
RAB	Rotary air blast drilling
RC	Reverse circulation drilling
Refractory	gold ore that has ultra-fine gold particles disseminated throughout its gold occluded minerals which are naturally resistant to recovery by standard cyanidation and carbon adsorption processes
Realgar	is an arsenic sulphide mineral, also known as "ruby sulphur" or "ruby of arsenic"
RQD	Rock quality designation, a quantitative estimate of rock mass quality from recovered drill core
RL	Reduced level (same as elevation coordinate)



S	The chemical symbol for the element sulphur
Sandstone	A sedimentary rock consisting of sand size grains, generally the mineral quartz, which is in a consolidated mass
Sb	The chemical symbol for the element antimony
Sericite	A mica mineral – product of hydrothermal alteration
Silica	A compound of silicon and oxygen, generally occurring in the form of mineral called quartz
sq kms	Square kilometres
Stratiform	Describes a layered or tabular shaped body of mineralised rock that is aligned parallel to bedding
T	Tonne
Tuff	General term for rocks that consist of fine grained fragmental material thrown into the air by explosive volcanic activity
Wollastonite	calcium inosilicate mineral forming when impure limestone or dolostone is subjected to high temperature and pressure sometimes in the presence of silica-bearing fluids as in skarns or contact metamorphic rocks
XRF	X-Ray Fluorescence analytical technique
Zn	The chemical symbol for the element zinc



DEFINITIONS

Exploration Target

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

Any such information relating to an Exploration Target must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. The terms Resource or Reserve must not be used in this context. In any statement referring to potential quantity and grade of the target, these must both be expressed as ranges and must include:

- a detailed explanation of the basis for the statement, including specific description of the level of exploration activity already completed, and
- a clarification statement within the same paragraph as the first reference of the Exploration Target in the Public Report, stating that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Mineral Resource

In accordance with the JORC 2012 Code Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The term Mineral Resource covers mineralisation and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralisation that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling



gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Mineralisation may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralisation. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineralisation or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralisation can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Mineral Reserve

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.



A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the treatment plant or equivalent facility. The term 'Mineral Reserve' need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals.

Probable Mineral Reserve

A 'Probable Mineral Reserve' is the economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Proven Mineral Reserve

A 'Proven Mineral Reserve' is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Application of the Proven Mineral reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect potential economic viability.

Feasibility Study

A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

**Preliminary Feasibility Study**

A Preliminary Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.



15.0 APPENDIX 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
<i>Sampling techniques</i>	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	- The analytical results from the combination of Grab/Channel (G/C), Reverse Circulation (RC) and Diamond Drill Core (DDC) sampling have been used to support the Mineral Resource and Reserve estimations reported in reference Pre-feasibility Study 2013. - North Borneo Gold (NBG) have made considerable efforts and set systems in place in terms of the procedures followed for drill core and other sample handling and processing since 2010 that are consistent with industry best practice to reduce incorrect sampling errors to within acceptable boundaries. - The Competent Person is unaware if any specialized measurement tools, e.g. down hole gamma sondes, or handheld XRF instruments etc. or calibration of any tools were employed. - Channel and trench sampling were extensively carried out across the mapped Jugan orebody surface to a depth of 1-3m. The base of the trench was “cored/slotted” in 1m sample lengths to correspond to the similar volume as HQ drill core and used to delimit the ore zone on surface. Samples followed similar logging and sample procedures as for drill holes. No duplicate trench “cored/slotted” samples were taken to assess the accuracy and integrity of the first samples, however, coarse reject samples were re-assayed. Similarly duplicate core and RC rock chip samples from the coarse reject samples were re-assayed. - Renison Goldfields (RGC) was the only company to routinely take down hole surveys during the pre-2007 period and drilled most of the deeper holes indicating that their drill hole plots would be more reliable for geology and lithology interpretation. - NBG did not carry out down hole surveys before 2010 but did so following the arrival of Besra Gold Inc, when with subsequent drill programmes down hole surveys became routine. - For orientation/deviation, all holes were routinely surveyed initially with a HKCX single shot then replaced by a Camteq ‘ProShot’ electronic multi-shot down hole camera every 25m down hole and at termination. - BYG/Menzies, about 1994 to 1999, RC drilling samples were collected at 1m down hole intervals within the mineralised intersection by cyclone into sample bags. Samples for assay were pulled with a 4-inch diameter tube “spear”, inserted in the centre until bottom the sample bag and placed into another 1m sample bag from which a second split was collected using a 2-inch spear. These second splits were composited into 4m intervals of around 1 to 4 kg from which 30g to 50g was used for assay. All sample bags were appropriately



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		labelled, ticketed and documented. When composite results assayed greater than 0.5 Au g/t, the original 1m samples were re-assayed. - RC samples collected at 1m down hole intervals were weighed to determine representivity of the material being sampled by establishing sample recovery. The Standard Operating Procedures (SOPs) for RC sampling were used and are on file in the Bau exploration office. - Selected samples some from RGC and BYG/Menzies were dispatched to the umpire laboratory MAS, Bangkok, Thailand. Most results matched, and those that did not were replaced by new result. - Core trays were index marked for hole and tray number and depth metreage. Before logging and sampling the end of hole line was marked for reference. - Core sample intervals were determined by geology and mineralisation. In the absence of contacts, sample intervals were on a metre by metre basis marked on the core and the intervals recorded with sample numbers. Standards and blanks were inserted, and the intervals selected for duplicate sampling. - Geologists selected the mineralized intercepts and marked out the intervals for sampling based on geological contacts and/or at 1m intervals, whichever was least. General practice was to sample several metres either side of mineralized intercepts. - Half-core was regularly taken from the same side of the core run. - The measures referenced here attest to the assurance of sample representivity and also that where applicable, appropriate calibration of any measurement tools or systems used were done.
	Aspects of the determination of mineralisation that are Material to the Public Report.	- Early sampling procedures were variable and unclear due to the duration of historical exploration and numerous companies involved. Sampling procedures ranged from undocumented to industry best practice (most recently). The samples were presented to various commercial laboratories depending on project owner at the time for preparation and analysis for Au content using fire assay. - In the recent programmes under NBG/Besra, discretion was used in sampling to ensure lithology and alteration boundaries had not been crossed. All DDC samples were selected based on mineral content and lithology. - There were no intervals within the mineralised interpretations that were not sampled and assayed. - Mineralisation styles share characteristics with the Carlin Style in Nevada, USA hosted in calcareous sediments, host rock permeability is important in mineralization, associated with deep faults, Tertiary-aged dacitic intrusives, solution collapse breccias and epithermal association. - Similarities in Carlin mineralisation style include silicic-argillic-carbonate hydrothermal alteration, fine grained arsenopyrite-pyrite Au common and similar trace element geochemistry, (As, Sb, Hg, Tl).
	In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse	From 2010/12 NBG/Besra holes were PQ collared and switched to HQ for good ground conditions and surveyed at 25m intervals down hole for resource and 50m intervals for exploration holes.



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
	circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• In 2010/12 programme all NBG core drilling was HQ triple tube with either 1.5 metre or 3 metre core barrels. • Core was placed into metre long core trays with the runs marked by core blocks. Core barrels range from 1.5 metres to 6.0 metres depending upon ground conditions. • Half core was retained as evidence and the other half used for analysis. • The Bau project deposits do not contain any significant presence of free/coarse gold as the mineralisation is contained in "fresh" rock domains and predominantly refractory.
<i>Drilling techniques</i>	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Early sampling by BYG/Menzies used RC drilling for the majority of their drilling at Bau. • Early DDC drill holes were predominantly NQ diameter with additional holes in HQ/PQ. • All NBG/Besra drilling was DDC with triple tube; angled and orientated; drill core used was HQ3 with PQ3 collars; NQ3 was only used when poor ground conditions dictated; metallurgical holes were drilled with PQ3/PQ. A mix of standard and triple tube drilling was used in the historical diamond drill holes. • At Jugan 17 out of 82 RC holes ($\pm 5\%$ of 252 total holes) were used in the resource estimate; some holes were drilled with BQ with only 24 out of 252 (9.5%) holes used in the resource estimate. • All DDC core where geological conditions allowed, were oriented at the end of each 3m run. Early in the programme this was achieved by an orientation spear and then progressed to the use of an electronic 'OriShot' orientation device. The drillers mark the base of the drill core at the end of the run and marked the base line of the core axis. This was checked by the NBG site geologist for accuracy and consistency. • A block was placed at the end of the run showing the measured rod depth and the amount of core lost had the subscript "L/C"; A block also showing nominal depth at the start of a run wherein a core orientation survey was taken had the subscript "C.O."; • Orientation of all competent HQ and NQ core was conducted down hole by the Contractor as required by the Company. • For orientation, all drill holes were initially routinely surveyed with a HKCX single shot then replaced by a Camteq 'ProShot' electronic multi-shot down hole camera. • Readings were taken every 25m down hole for all holes and surveyed at termination. Orientation data was collected electronically with an Orishot orientation device routinely at the end of each HQ drill run where it was judged usable information could be obtained. Drill runs normally ran with core barrel lengths of 1.5m and 3.0m, sometimes 6m. Orientation data was recorded electronically to prevent transcription errors. • Down hole surveys were checked mathematically and visually in the database, and in 3D in the CAE Mining Studio geological and mining software package. Any surveys with recorded errors of unacceptable deviations were excluded from the down hole survey database. • Historic drill holes did not have down hole surveys done, only drill hole orientation surveyed at the collar;



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		most of them shallow (<100m) and vertical, and according to Terra Mining Consultants/Stevens & Associates (TMCSA) any deviation was considered minor. <u>Drill Type:</u> - Many pre-2007 era DDC holes drilled by BYGS/Menzies were BQ (some NQ) using Winkie rigs, NQ using a Longyear 28 and HQ/NQ using a Hanjin rig. DDC drilling by RGC and Gencor was largely HQ using Longyear 44's. - The BYG/Menzies RC programme used Schramm T4 and a G&K850 rigs. - In 2007/8 era drilling was done with Boyles BBS-10 and Christensen-Boyles CS1000 rigs. All holes were drilled in HQ triple tube. - NBG/Besra's drilling contractor used Indodrill ID 500 track/skid mounted rigs on 16 holes averaging approximately 100-200 metres each angled at between 90 and 40 degrees using a combination of PQ and HQ wireline core drilling. <u>Drill Metrics:</u> - Prior to 2007, more than 175,000m in 2,156 drill holes averaging about 80m in depth is recorded in the historic drill database and archived records. - In 2007/8 era NBG drilled 5,782m in 50 HQ DDC holes averaging 115m in depth. - Later in the programme NGB drilled AQ core for geochemical sampling 5 shallow holes, 2 at Sirenggok, 2 at Pejiru and 1 at the BYG pit. - From 2010/12 NBG drilled 40,031m in 208 DDC holes averaging just over 190m deep for resource (79%), exploration (17%), and metallurgical (4%) purposes.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	- In 2010/12 programme each drill run was recorded in a log which and signed by the drill contractor and NBG's representative each day. - Jugan core recovery averaged 98% throughout; some historic recoveries averaged 96%. - Besra BYG-Krian core recoveries averaged 95% and slightly lower due to broken ground near the collars of the ore zones. - TMCSA wrote that they observed no correlation between core recovery and Au grades, suggesting no apparent bias in the assay grades from core recovery. - The acceptable high overall sample recovery and the lack of its relationship with Au grade underpins that no sample bias might have occurred due to preferential loss/gain of fine/coarse material.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC procedures required regular cleaning of cyclones, splitters and sampling equipment to reduce contamination.



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		• DDC is firstly measured on a run by run basis and marked out in 1m intervals. Core recoveries were documented and any discrepancies between drill runs as recorded and measured were rectified. • Field logs were completed to include measured core recovery at the rig before transporting the core in secured tray boxes to the BYG/Menzies sampling facilities. • Where difficult ground was encountered or where the sample recovery could be compromised, controlled drilling speeds and short drilling runs (1.5m triple tube) were used. • The drilling contractor's agreement with NBG/Besra was structured to ensure that the maximum possible core recovery was achieved, with reasonable precautions being taken to prevent crushing, wearing or grinding of the core. Core loss deemed to be due to the Contractor's negligence was not paid and when excessive in the opinion of the Company, necessitated re-drilling; • Driller was committed to apply the minimum force to liberate the core from the core barrel and make a minimum number of breaks in the core to enable fitting into trays. • Each tray had blocks indicating the hole number and estimated depth, at both the start and end of the tray as well as measured rod depth at the end of each drill run, irrespective of the length of the run. • A block was placed at the end of the run showing the measured rod depth and the amount of core lost had the subscript "L/C"; A block also showing nominal depth at the start of a run wherein a core orientation survey was taken had the subscript "C.O."; • Orientation of all competent HQ and NQ core was conducted down hole by the Contractor as required by the Company. • Cores misplaced, spilt or otherwise rendered unusable owing to the Contractor's acts or omissions necessitated re-drilling • As can best be determined from historic accounts and recent reporting, measures taken during drilling aimed at maximising sample recovery to ensure representativity of all samples.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• RGC, Gencor/Minsarco and BYGS/Menzies Gold logged and sampled core, which they documented in hardcopy, transferring to digital format. • All the BYGS/Menzies Reverse Circulation (RC) holes were geologically logged and codes assigned on hardcopy logs. Data was manually entered and for the most part was systematically and accurately done. • TMCSA which undertook the Bau Project - 2013 Pre-feasibility Study, stated that historic drill core logging data in hardcopy included geological descriptions, and sample intervals correlating to assay data represented that procedures had followed the accepted standard at the time. • TMCSA also managed the review and re-logging/re-interpretation of historic core where appropriate and their observations showed that all previous companies undertook geological logging with adequate geological descriptions, sample intervals marked, and correlated to assay data, concluding that systematic procedures were followed in most cases to the acceptable standards at the time.



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		• In 2010, representative drill core from all the prospects used in the Mineral Resource estimation were reviewed by TMCSA, comparing drill core with lithological descriptions in the drill logs and checked against the lithological data entered into the database. • Hardcopy core logging was generally descriptive by all companies that worked at Bau to date. BYGS/Menzies and RGC coded on hardcopy logs then into the geological databases. • Recoveries were measured and geotechnically logged by a qualified geologist in hardcopy logs after which the data was electronically entered in the database. • For RC chip samples, BYGS/Menzies entered the geological descriptions onto hardcopy logs which TMCSA reviewed and found generally consistent with geological descriptions essentially correlating with geochemistry. • TMCSA was satisfied that the core logging had been carried out and the data recorded and entered into the database to accepted industry standards and that the logging supported geological continuity, and was able to define appropriate domains, based on geology, for resource estimates. • Geologists selected the mineralized intercepts and marked out the intervals for sampling based on geological contacts and/or at 1m intervals, whichever was least. General practice was to sample several metres either side of mineralized intercepts. • Geological logging for drill holes, channels and trenches for 2010/2012 followed the NBG/Besra logging and data validation procedures. • Geotechnical observations of weathering, Rock Quality Designation (RQD), discontinuity types and frequency per metre were logged. Geomechanical logging by a geotechnical engineer determined Rock Mass Rating (RMR) and other geomechanical factors for the deposits. • For the Jugan sector geomechanical and geological logging took in drill holes JUDDH-6 to JUDDH-81. While the geological logging was largely based on the lithology, alteration and mineralisation, veining and structures; the geomechanical logging was based on a maximum length of 3m per run and considered the mechanical, structural and the mineralogical properties of the rocks and rated them according to the Rock Mass Rating (RMR) parameters: ○ Rock Quality Designation (RQD) based on: a. Recovered length b. Length of run ○ Discontinuity per metre based on: c. Total number of discontinuities d. Recovered length of run ○ Discontinuity roughness ○ Discontinuity alteration and fill based on:



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		e. Infill and mineralisation in the infill f. Alteration of the discontinuity walls g. Minerals present in the discontinuity walls - o Weathering state of discontinuities - o Aperture of the discontinuities - o R-values taken from the intact samples of each lithology units - o Intact Rock Strengths (IRS) derived from the weighted R-values of intercepted lithologies in the run • The RMR values were used to develop the block model RMR for Jugan. Together with the structural model that was created, a slope design was developed for 15m high with 5m bench face slope. The slopes from the optimised pit design were generated using an overall 45-degree pit slope and adjusted based on the recommended slopes from the RMR block model. • Similarly with BYG-Krian the geomechanical and geological logging took in drill holes BYDDH-01 to BYDDH-42 adopting the same methodologies and set of procedures as Jugan. • Density determination was done on 10 cm whole core cylinders taken at 10m and 20m down hole or with a change in lithology. Samples were air dried, weighed, and polyurethane sealed, re-weighed in air then in water and the density determined by water volume displacement formula. • The core and chip sample logging detail and protocol sufficiently covered geology and geotechnical properties to enable NBG/Besra to undertake a Mineral Resource estimation, mining studies and metallurgical studies to fulfil the minim requirement of the Pre-feasibility study published in 2013.
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Logging was carried out both qualitatively or quantitatively. Logs recorded lithology/oxidation, hydrothermal alteration, mineralisation, sulphide types, mineralised zone contents, recovery, density as well as structural and vein orientation related to oriented core to calculate dip and plunge of veins, faults, joints and breccias. Percentages of veining and sulphide contented were also noted. • All NBG/Besra core in each tray was cleaned, clearly marked with drill hole identification and interval from beginning to end before being photographed (wet and dry) prior to being logged by geologists. All photos were collated electronically and indexed. • Channels for sampling were 10 cm wide, 2 to 3 cm deep, 1m long and spaced one metre apart for the total length of the trench which could at some locations exceed one hundred metres. Logging followed similar qualitative and quantitative logging as with RC rock chips.
	• The total length and percentage of the relevant intersections logged.	• Notwithstanding holes that encountered runs of broken and unconsolidated rock, 100% of the relevant recovered core and rock chips to the extent practical, were properly logged. • In 2010, CPs from TMCSA reviewed historic core and rock chips; re-logged and re-interpreted the relevant logs as necessary in addition to core descriptions in the drill logs and checked them against the lithological



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		data entered into the database. TMCSA's documented observations noted that all pre-2010 core were logged with adequate geological and lithological descriptions, sample intervals, and correlated to assay data. From 2010 going forward CP, Graeme Fulton (TMC part of TMCSA), as General Manager of Bau Project, oversaw the drilling programmes and compliance with best practices logging protocol.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	- RGC and Gencor set up the current sample preparation facility and their staff trained SGS. - Much of the early core drilling by BYG/Menzies was BQ size and split by core splitter. Since the late 1980's all drill core was halved with diamond saws or for soft material a splitter was used. TMCSA authenticated this from their observations of remaining core. - Early sample preparation was carried out by BYG/Menzies and the procedures are unknown to the CP, Kevin J. Wright. However, examination of a representative population of the vast drill log database by CP's from TMCSA showed that core samples were collected based on geology and mineralised intervals. BYG/Menzies records showed that they had a rigorous and systematic sample collecting methodology in place for their largely RC drill programme. They prepared their samples at the sample preparation facility on site. - Post-2010, the core was sawn by diamond "Clipper" saw or split (where too soft to cut) into halves, with one half sent for analysis and the remaining labelled and retained for future reference. To prevent bias, the geologist logging the core supervised core cutting and ensured that the core was cut along the apex of any veins or significant mineralized structure. - The geologists filled out standard instruction forms for the SGS analytical laboratory and the samples were delivered to the SGS sample preparation and processing facilities. - CP, Kevin J. Wright has reviewed the SGS Bau sample preparation, fire assay and AA facility, process and equipment as well as the SOP's used by the SGS laboratory at BYG, and he is satisfied that due care and attention to precision and minimal contamination and loss of sample were executed to best industry standards.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	- In 2007, BYG/Menzies RC programme; dry samples were collected through cyclones and sampled using a spear when dry. Initially air volumes at the RC rig were insufficient to keep samples dry below the water table, and samples were collected wet from the cyclone base. Fine material in suspension could not be captured in the overflow water exhibiting inherent shortcomings drilling in wet environments. The use of these sample results was identified and not included. - Above the water table, RC dry samples were collected at 1m down hole intervals within the mineralised intersection by cyclone at the drill hole, into sample bags prior to sampling. - The CP, Kevin J. Wright understands from geology staff with Besra that participated in the drilling



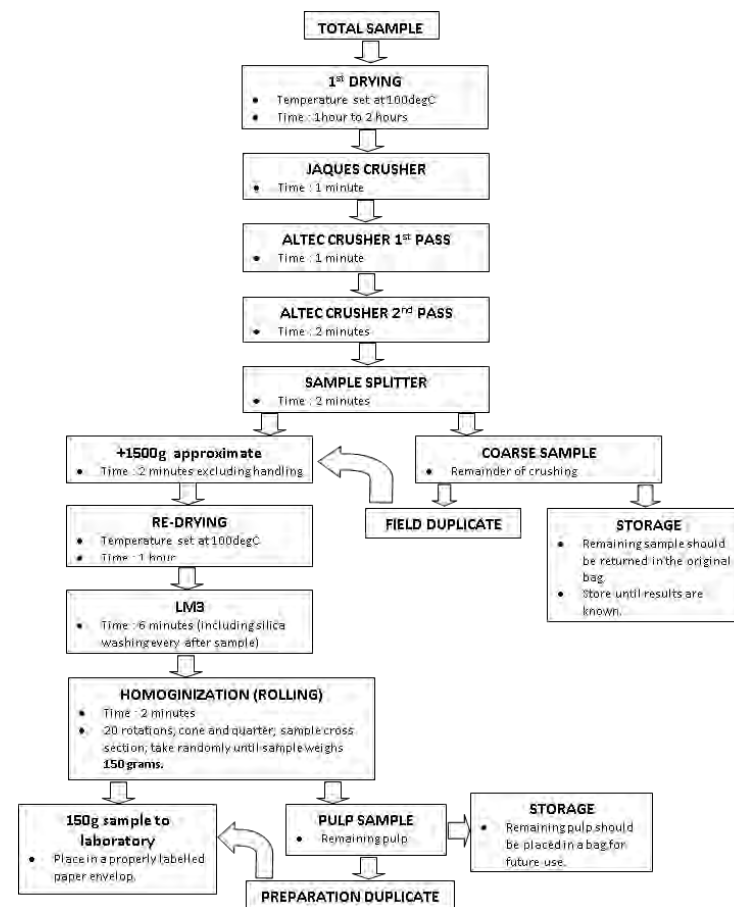
Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
		programmes that the cyclone was cleaned routinely and always at the completion of each hole.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	- In 2010 SGS Laboratories, accredited ISO17025, provided NBG/Besra with sample preparation and Au fire assay analytical services, with minor element (23) analyses by ICP in Perth and in 2012 at their new facility at BYG-Bau. - Screen sieve tests were done for sample preparation on coarse minus 4 mm secondary crush and on the pulps following pulverizing in the LM2 ring mills. 5 % each of the minus 4 mm fraction was sieved for 90 % passing minus 75-micron in each case prepared from a sufficiently large and finely crushed sub samples and homogenised to represent the whole sample taking into consideration likely gold sizing and grades. - A unique number was assigned to each core sample for sample preparation: - Placed core/rock sample into numbered metal trays - Weighed and dried in a gas fired oven at 100 – 120 °C - Primary Crushed to approx. 8 mm top size as required - Secondary Crushed to approx. 80% passing minus 2 mm - Split to the required weight for pulverizing - Pulverised in an Essa LM1/B2000 or and Essa LM3. - For all sample types, the nature, quality and appropriateness of the sample preparation technique are in line with industry best practices. - The post-2010 drilling ½ core samples were dried at approximately 100°C, primary crushed to minus 10 mm, then secondary crushed used a Rocklabs Boyd crusher to minus 4mm; the samples were then riffle split twice, with ½ sample pulverized in an LM3 with 90% passing 75µm; - Depending on the size of half core, for N/PQ 4-5 kg and smaller 1-2 kg was crushed, split and pulverised 150g for fire assay with AAs finish; 150g retention and 50g for IPC analysis. - All sample pulps and coarse rejects were bagged and stored for usage as required (period of 3 months), and thereafter returned to NBG/Besra from the SGS laboratory for storage at Bau core yard. - Sample preparation technique for drill core shown in the following flow sheet was typical and amended if there was likely to be visible gold present; unusual for Bau mineralisation. - CP, Kevin J. Wright has reviewed the laboratory preparation process used and the proper implementation of SOP's by the SGS laboratory.



Criteria

JORC Code explanation

Commentary (completed by Competent Person-Kevin J. Wright)



Sample Preparation Flowsheet for Drill Core

- Quality control procedures adopted for all sub-sampling stages to maximise representivity of
- To maximise representivity, RC sampling quality control was driven by tracking rock chip weight for variance and blowing the splitters clean between sample intervals.



Criteria	JORC Code explanation	Commentary (completed by Competent Person-Kevin J. Wright)
	samples.	- NBG/Besra DDC holes were sampled and assayed on nominal 1m intervals, except at geological or lithological boundaries. Historically, holes were sampled at 1.5 and 2m intervals with later holes nominally at 1m. These longer run intervals made up approximately 5-10% of the total drilled metres. - Half-core was routinely cut along the same side of the re-oriented core, with the end of the hole line identified in the tray for reference. The assay-subsample was placed into the sample bags labelled with assigned sample number and sealed. - Grab float, outcrop, trench/channel and soil samples were logged, photographed and data recorded as for DDC applying representivity protocol including sub-sampling requirements. All primary samples were assigned x, y and z coordinate and recorded as drill holes for ease of data handling in geological and resource modelling software. Sampling protocols were filed in the NBG/Besra Bau exploration office archives.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	- NBG/Besra introduced industry standard protocols for QC by inserting certified standards, blank samples, umpire sampling, field duplicates from the coarse crushed material and preparation duplicates from the pulverized splits. - In addition SGS supplied NBG an analysis on a monthly basis of the laboratory's performance with respect to their own internal QC procedures. - NBG/Besra's standard sampling procedures for RC rock chips with insertion of standards, blanks and duplicates, are applied in the same manner as for drill core. - Standard "second split/coarse split" and pulp duplicates were introduced into the sample stream for the laboratory assays. The results returned were analysed providing an understanding of the proportions of the variance introduced and at this stage to optimise, and/or improve the process. - Core sample intervals were selected through geology and mineralisation logging, and assigned numbers, as well as insertion of standards, blanks and duplicates for representative in-situ sampling. <u>Pulp Duplicates</u> - NBG/Besra's QC procedure included pulp duplicates retrospectively analysed at ten sample intervals from the database and assigned a unique number to related back to the primary sample number. - Logarithmic Correlation Original of Original and Laboratory and Laboratory Repeat Samples, in Section 11, Sampling-Assaying, of the Pre-feasibility Study 2013 illustrates the results for re-sampled duplicates Vs laboratory original duplicates. The ideal trend line for a perfect duplicate Vs original sample result are almost identical. - Lower grades limits show sample dispersion for lesser grade replication of the original samples. The higher variation of duplicate Vs original sample grades is within the detection limit and considered appropriate.



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		<u>Field Duplicates</u> - Integral to sampling QC for sample reproducibility, crushing homogenization and gold distribution a duplicate from every 10th sample was taken from the split after the second crushing to a nominal P₈₀ -4mm whole sample. Each field duplicate is assigned a unique sample number in the sample stream for each batch. - Log-log Plot graphs for Field Duplicates for each of the four areas drilled since 2010, Jugan, Bekajang, Taiton and Juala are presented in The Pre-feasibility Study 2013, Section 11, Sampling - Assaying. - Comparison of the field duplicate plots shows that correlation coefficients for Taiton, Jugan and Bekajang are close to one, ranging from 0.9884 to 0.9923. In the case of Juala the R2 value drops to 0.8763 possibly reflecting a smaller data set and the number of samples below detection of 0.01 ppm Au that are set to 0.005 ppm. <u>Preparation Duplicates</u> - Duplicate from every 10th sample was taken from the split after pulverizing a nominal P₈₀ -75 microns for sample reproducibility, crushing homogenization at the fine grinding and gold distribution and information on sampling for the fire assay by laboratory personnel and other factors like nugget effect by overgrinding etc. - Log-log Plot graphs for Preparation Duplicates for each of the four areas drilled since 2010, Jugan, Bekajang, Taiton and Juala are presented in The Pre-feasibility Study 2013, Section 11, Sampling - Assaying. - Comparison of the preparation duplicate plots shows that correlation coefficients for Taiton, Jugan, Bekajang and Juala are all close to one, ranging from 0.9638 for Taiton to 0.9987 at Juala. - In the case of Taiton the R2 value is 0.9638 where disparity occurs in the original and duplicate lower grade ranges but are due to transposition errors. Overall the discrepancies lie mainly in the lower grade ranges where a small difference has a large effect especially where values below detection limit of 0.001 ppm are set at 0.005 ppm. <u>Laboratory Duplicates</u> - QC procedure also monitored duplicate assays conducted by SGS on NBG's samples also shown in a Log-log Plot, SGS Duplicates Section 11, Sampling – Assaying showed a correlation coefficient of 0.98.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	- For DDC the sub-sample sizes, around 3 to 5 kg as they relate to the Au mineralisation in the samples represents the style of mineralisation, estimated true width of the mineralised structures based on hole intersections, sampling procedures and Au assays. - For RC drilling comparison of anomalous duplicates and 4m composite assays Vs 1m assays showed



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		acceptable repeatability indicating sub-sample size is appropriate for the grain size. When 4m composite anomalous results were returned, the individual 1m samples were assayed for comparison and the corrected result was assigned appropriately. • Au grain size of the Bau project deposits/sectors is predominantly fine and refractory. Samples were prepared from a sufficiently large and finely crushed sub samples and homogenised to represent the whole sample taking into consideration likely gold sizing and grades.
<i>Quality of assay data and laboratory tests</i>	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• Gencor and RGC used their own protocols of duplicates, standards, blanks and umpires that were to industry standards of the 1990's. TMCSA stated that BYGS/Menzies Gold had rigorous QC protocols and all historic QC values available were analysed. • Historic assays: RGC and Gencor/Minsarco used commercial labs and their own QC systems; BYGS/Menzies Gold used Assaycorp initially in Australia and then in Kuching, Sarawak as well as McPhar, Analabs and Inchape for umpire sampling and QC. • Au Fire Assay used a 50g charge with an AAS finish; SGS-FAA505 detection limit of 0.01 ppm. All fire assay Au analysis were of a total assay nature and appropriate for the Bau Project deposit Au mineralisation types. • Other elements (23) were analysed by SGS - ICP12S, IMS12S, AAS12S & CSA06V; where values exceed detection limit these were analysed using AAS42S. • This suite did not initially include sulphur which was added late in the Jugan programme to provide geo-metallurgical information. • Additionally, tungsten and thallium were added to the suite using ICP-MS to get the low detection limit for soil sampling while total sulphur values above 2.5 % were determined by method CSA06V utilising high temperature combustion with Infrared measurement. Arsenic values above 0.5 % were determined by AAS. • All the sample data for the 2010/12 programmes were assayed initially by SGS either in Perth and/or later at the new BYG onsite SGS ISO 17025 compliant laboratory, conducting data verification and QC procedures on the assay data. • Besra/NBG also conducted QC and verification procedures on the data. All sample data and returns were stored electronically and in hardcopy for future reference and checking. One blank was submitted with every batch of around, up to one hundred samples. Standards were inserted for every thirty samples. • Umpire samples were not routinely collected through the programme. At Jugan all holes drilled by NBG and assayed at Mineral Assay & Services (MAS), Bangkok were re-assayed by ALS in Orange, NSW, Australia, an accredited laboratory and used as an umpire population to identify any major precision and accuracy issues with MAS. Some selected samples were also checked at SGS Waihi, New Zealand. • CP, Kevin J. Wright has not reviewed any of the above identified laboratory preparation process used at that time and the proper implementation of otherwise sound SOP's by the laboratory have not been



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		verified.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	- Because NBG outsourced early geophysical survey work, they were not privy to the details of parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Planetary Geophysics from Toowoomba, Queensland, Australia carried out the geophysical 3D offset pole-dipole induced polarisation (IP) considered the best technique to characterize the chargeability and resistivity of a known orebody and determine any other areas with similar response to Jugan-style orebodies. - Similarly Besra outsourced an extended 3-D IP survey to cover Bukit Sarin and extensions to Jugan from interpolation of all data sets and defined drill targets.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	- NBG/Besra, introduced a non-certified “standard” from a homogenized mineralised sample. The assay results from this NBG “standard” are shown in The Pre-feasibility Study 2013, Section 11, Sampling - Assaying. - The 120 plus NBG standards analysed gave a mean of 10.645 Au g/t with a standard deviation of 0.288 g/t Au. Apart from four (4) samples all results lie within the 95th percentile. - Reliance on assay integrity was largely placed on the protocols adopted by MAS and their assay values are shown in Section 11, Sampling – Assaying, with the gold scatter plots of the standards used by MAS during 2007 to 2009. - NBG/Besra sourced certified geochemical standards from Rocklabs, New Zealand which were inserted into the sample stream at a ratio of 1:30. A variety of standards were used of different grades. - NBG/Besra introduced industry best practices for QC procedures involving the insertion of certified standards, (e.g. Rocklabs SE58, SG56, SK52, SN60, and SG40 & SG50), blanks, umpire sampling, field and laboratory duplicates from the coarse crushed material and preparation duplicates from the pulverized splits. QC control samples were inserted at a nominal interval of 1 in 10 samples, except for blanks and standards which are inserted at 1 in 30 samples. - TMCSA stated that most of the standards performed reasonably well reporting plus or minus 5% within the expected based on the 95 percentiles. - SGS also insert its own duplicates, blanks and standards and reported these in its monthly analysis siting their own internal QC procedures which included percentage passing/not passing 75µm with associated duplicate assays in the Au assay return. Log-log plots of SGS laboratory duplicates by TMCSA showed an acceptable correlation coefficient of 0.9848 for precision. - In NBG’s quality control procedure, duplicates of the pulps were retrospectively analysed at intervals of ten (10) samples from the NBG database. Duplicate samples were assigned unique numbers that could be



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		related to the primary sample number and tracked. - NBG used logarithmic plots of the duplicates verses the laboratory duplicates which showed the ideal trend for a perfect original-duplicate sample result, derived from the equation $y=mx+b$ where m is the slope, which is equal to one, and b is the y-intercept equal to zero. - Sample points for the duplicates showed a good correlation between the original and replicate samples. The distribution closely patterned the ideal linear trend line. Grades in the lower limits, however, showed more sample dispersion signifying lesser replication of grades of the original samples. The higher variation between the original and duplicate grades of samples near and within the detection limit zone can be considered normal. - The QC elements of the Pre-feasibility Study 2013 did not identify that the integrity of the test work and assay results were significantly impacted by sampling bias errors related to the uncommon existence of coarse free gold, with the conclusion that the levels of accuracy and precision were achieved. - It is noteworthy at Jugan that the amount of sulphur did not vary significantly, and by inference, the weight percent of sulphide mineralisation was virtually independent of the gold grade in the composite. There is an increase in arsenic content of some 40%, for an increase in the composite gold content of 500%. The amount of arsenic found in the Jugan mineralisation is a strong indicator of the gold content.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	- During the 2010 audit process of historic drill holes, TMCSA randomly selected a sample group for independent verification by SGS Waihi, New Zealand. No significant discrepancies were found. - Historic data with suspected discrepancies were re-sampled (quarter core or coarse rejects) and validated against discrepancies and resolved, then re-assayed at SGS laboratory in Bau. - NBG/Besra routinely sent pulps from approximately 10% of all its samples to an independent laboratory for umpire analysis and the results compared, with no significant bias that would affect any resource classification - As part of verification TMCSA sent representative samples of drill core from several projects to be analysed independently at SGS Waihi, New Zealand in the case of core from Jugan, Pejiru and Sirenggok. The SGS Waihi results are reasonably consistent and the variations are likely caused by ¼ core used reflecting natural inhomogeneity. - CP, Kevin J. Wright has not reviewed the laboratory preparation process used at that time and the proper implementation of otherwise likely sound SOP's by the laboratory. - At Taiton, a new project that had not been modelled, samples were selected by TMCSA from historic holes at Taiton A, Bungaat and Tabai using drill logs, assay data and physical examination. The remaining core sample was ¼ cut using a diamond saw, prepared on site and sent to MAS Thailand for analysis. - The Taiton assay data range is higher in the original than in the check samples, and overall high values in the original data showed high values in the check data. The original samples were ½ BQ whereas the checks



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		were of ¼ cores from BQ core. The aim of the check sampling was determined in the first instance that the gold content of the core was real. Similar orders of magnitude in comparative samples were generally observed.
		CP Kevin J. Wright has found no specific documented evidence that “significant intersections” have been independently verified.
	The use of twinned holes.	- BYG-Krian was drilled with BQ core and RC. These holes were checked for accuracy and integrity by infill and/or twinned holes with PQ/HQ; - TMCSA’s analysis of drill hole data in the resource estimates showed little or no difference in results with or without these holes; this and their low percentage contribution, deemed them not to have any material impact on the resource estimate. - Around 1996, BYG/Menzies raised issues with potential smearing of values in the RC drilling at Pejiru when comparative results between twinned DDC and RC holes were examined, especially below the water table. Consultant, Mr. Mustard evaluated the issue and concluded that the amount of smearing was not significant. - Kevin J. Wright, Competent Person has taken the view that this issue remains unresolved and therefore agrees with TMCSA that this is one reason the resource at Pejiru is categorized as Inferred and identified as unreliable to be included for future resource estimate work. - He also recommends that core from holes with significant intersections be re-assayed and also twinned.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	- NBG stored all historic hard copy records including dispatch sheets, original signed assay result sheets, and geological logs on the site office in Bau. - TMCSA reviewed several original surface and underground channel sampling maps and sections and documented that they found them adequate for resource estimation where survey control could be verified. Where data could not be verified, it was excluded from the database. TMCSA stated that analyses of data used in the resource estimation showed little or no difference in results with or without these samples and deemed appropriate to use. - They identified field duplicates within the database. Whilst variations existed on a sample by sample comparison, the overall results they stated were acceptable. - NBG/Besra logging was entered directly into electronic spreadsheets, containing data validation routines and code tables and uploaded to master spreadsheet and subsequently uploaded to a fully integrated GeoMIMS platform with further data and code validation and checking. Data was transferred twice daily to the server. - Historic data on hardcopy log sheets were captured on Excel spreadsheet format, validated and checked by TMCSA.



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		- Data verification was carried out by TMCSA on the primary data: - Access Database on a project by project basis and recent data not in current database, e.g. NBG data - Checked collar surveys against original survey data sheets, duplications and omissions. - Checked assays in database against original data logs for BYG/Menzies, RGC and Gencor. - Compiled existing BYG/Menzies drill assay database, using original primary data laboratory assay certificates and/or from drill logs, including fire, roasted fire assay, and AAS, roasted AAS. Compared with data in Access database, corrected omissions, errors etc., and derived an accepted interval value resource modelling. - Check geological log codes on Access database, on project by project basis. Modified codes where necessary; developed consistent coding system based on the existing BYG/Menzies coding system. Input data from NBG hard copy logs into new database for each project. - Overall 1,614 drill holes within the resource areas were verified in terms of collar, survey, geology, density, assay values and intervals, including validation of 63,694 drill hole assay records and 1,610 channel/trench assay records. - Issues including missing assay data, missing drill collars, miss-plotted drill holes, different drill holes with same collar and survey data, etc., were systematically reviewed, rectified where possible or discarded if not. - From the database validation carried out, TMCSA stated that it was satisfied with the data integrity used for the resource estimation. - Database validation was conducted regularly and when the resource definition began, used the standard mining software packages (Datamine/CAE Mining) tools.
	Discuss any adjustment to assay data.	Following reviews and audits of available sampling and assay data by company staff and consultants, no justification was apparent to warrant adjustment of assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	<u>Drill Hole Collars</u> - All hole collars drilled by NBG before 2010 were surveyed by Resource Surveys Services, registered in Kuching, Sarawak using theodolite or total station. - Most of the drill holes were resurveyed and checked by Resource Surveys Services and found to be within reasonable survey tolerances, with outsiders being adjusted to the re-surveyed value. - Subsequent NBG/Besra hole collars were surveyed by registered surveyors using differential GPS and/or total station and recorded in the database. All surveys are based on registered and recognised survey stations in the area, including the Sarawak Land & Survey check station on top of the Jugan deposit. - Channels/trenches were surveyed by registered surveyors; with orientation and dip along the channel



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		recorded; then checked against the topographic surveys. • In 2010 TMCSA inspected a population of NBG drill hole locations and found the collars set in concrete with the drill hole number, in addition to depth, declination, control pegs, and survey control start, and completion date recorded. A selection of drill holes was checked with GPS identifying small discrepancies of the surveyed positions in the database consistent with accuracy limits of the GPS. • BYG/Menzies drill holes were also surveyed and converted from the local grid verified by registered surveyors. These drill hole collars were cross-checked where available and according to TMCSA are within reasonable tolerances and TMCSA expressed a greater level of confidence in drill hole locations for all phases of past work than was previously available. • During the 2010, 2011 and 2012 drilling programmes and field work, all historic drill holes were resurveyed, and their coordinates updated where applicable. Where original records or information was at hand the original coordinates were compared to the current coordinates and verified. Some of these were in other recognised coordinate systems allowing the update of drill holes and other data, particularly those in local grid coordinates. • Updated topographic data was sourced from Malaysian government accredited aerial survey agents by registered surveyor, Resource Surveys. This topographic information was based on radar aerial surveys and has an elevation accuracy of 1-5m depending upon vegetation cover. This topography covered all the areas of interest for the Bau Project. Local survey updates were incorporated where applicable. <u>Down-the Hole</u> • All drill core, where geological conditions allowed, were oriented at the end of each 3 metre run. Early in the programme this was achieved by an orientation spear and then progressed to the use of an electronic 'OriShot' orientation device. Drillers marked the base of the drill core and base line of the core axis at the end of the run. This was checked by the NBG site geologist for accuracy and consistency. • For orientation, all drill holes were initially routinely surveyed with a HKCX single shot then replaced by a Camteq 'ProShot' electronic multi-shot down hole camera. • Readings were taken every 25m down hole for all holes and surveyed at termination. Orientation data was collected electronically with an Orishot orientation device routinely at the end of each HQ drill run where it was judged usable information could be obtained. Drill runs normally ran with core barrel lengths of 1.5m and 3.0m, sometimes 6m. Orientation data was recorded electronically to prevent transcription errors. • Down hole surveys were checked mathematically and visually in the database, and in 3D in the CAE Mining Studio geological and mining software package. Any surveys with recorded errors of unacceptable deviations were excluded from the down hole survey database. • Historic drill holes did not have down hole surveys done, only drill hole orientation surveyed at the collar.



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		Because most of them shallow (<100m) and vertical, according to TMCSA any deviation was considered minor. Co-ordinates of individual samples in 3D was appropriately determined for and consistent with the needs of Mineral Resource estimating.
	Specification of the grid system used.	- In 2010 prior to Mineral Resource estimation, issues with historical survey control were identified in that BYG/Menzies had their own Universal Transverse Mercator (UTM) based coordinates; but conversions were inconsistent and could not be duplicated largely from the use of various grids and datum by past explorers. - Discrepancies included elevation differences on holes collar coordinates, and rotational errors with azimuth. The 3D Digital Elevation Model (DEM) and 3D Digital Terrain Model (DTM) models were mainly 10m or 20m contours accurate to +/- 10m in elevation leading to topography smoothing so hole collars could not be projected accurately on steep relief. - NBG moved to existing aerial photography, established survey control points and produce a DEM; carried out by a registered surveyor. Survey control points were established at existing locations at the time the air photos were taken and that could be verified. In addition, they surveyed several historic as well as all of NBG's, drill holes. - BYG/Menzies had retained all the original hard copy survey records, so it was possible to reconstruct their original survey control by traditional survey methods, establish local grid, Borneo Rectified Skew Orthomorphic (BRSO) and UTM coordinates for the same control points, drill holes, etc. and convert the old local grids to UTM. Where the orebody outcrops the ground, surveyed topography was used as picked up by Resource Surveys or the previous registered surveyors.
	Quality and adequacy of topographic control.	- Data was captured in BRSO survey coordinates and converted to UTM coordinates 84 Zone 49 (Northern Hemisphere). Elevations were left as BRSO as there were no consistent control points for accurate conversion to UTM. - These control points were used by Precision Aerial Surveys, New Zealand to produce a DEM of 1-2m accuracy and despite the model being DEM, for the purposes of the resource modelling, the data was closer to actual elevations.
<i>Data spacing and distribution</i>	Data spacing for reporting of Exploration Results.	- Exploration results are not being reported in this issue but for reference the following is provided: - NBG/Besra drilling at Jugan was on a nominal NW-SE 25m spaced section lines with most of the historic drilling at Jugan and BYG-Krian vertical on a nominal 25-50m grid, and over time creating a near surface hole spacing of less than 25m. - At BYG-Krian the spacing was on a nominal W-E 50m section lines, with infill drilling in the main part of the orebody at 25m intervals; drilling of orebody extensions to the W were partially infilled with 25m spaced



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		holes.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	- The overall 25m drill hole collar spacing, and corresponding data spacing achieved, based on geological interpretation and assigned Au grades is considered sufficient and appropriate for Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defines the strike, dip angle and dip directions. These semi-variograms were used to determine the nugget, sill values and ranges. - A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions. - The Downhole Semi-Variogram and Dip/Dip Direction Semi Variogram for As demonstrate the similarities with the Au variograms.
	Whether sample compositing has been applied.	93-94% of all NGB/Besra era holes intercepted mineralisation at Jugan and BYG-Krian 1m assay composites were used, except where ore mineralisation boundaries limit the hole length to less than 1m. Samples within the Bau Gold Project sectors and deposits were composited to 1 metre lengths, resulting in the following composites which were set at 1m as this was the predominant sample length and close to the average sample length. Composite samples are: - Byg-Krian 2,116, Bekajang 743, Sirengkok 3,704, Pejiru-Bogag 8,037, Boring 973, Pejiru extension 2,329, Kapor 1,723, Taiton A 547, Taiton B 332, O/H tunnel Tabai 405, Orezone Tabai 422, Umbut 775, Bukit Sarin samples were 1m, so no composites were needed, and Say Seng 148 composites.
<i>Orientation of data in relation to geological structure</i>	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	- Drill hole orientation varied by year and location within the Bau Project deposits depending on the thrust of the different explorers. Most of historic drilling at Jugan and BYG-Krian were drilled vertical and as such the longer intersections would have had to have been corrected to represent true width. - All NGB/Besra's Jugan and BYG-Krian DDC holes were angled and orientated predominantly at 60° angle, with some at 45-55° and 70° to optimise intercepts of mineralisation with respect to width and distribution, or for practical and access reasons. Holes were angled to the extent possible to intersect the lithology and mineralised structures normal to their dip and strike. - Channel/trench was nominally orientated perpendicular the long axis of the hill outcrop at Jugan and spaced at 20-25m laterally; a few ad-hoc trenches were orientated obliquely due to practical, access reasons and orebody outcrop orientation. - Pejiru is almost flat, the rest have moderate to steep dips.
	If the relationship between the drilling orientation	Jugan mineralization is interpreted to be largely constrained between hanging wall and footwall shears that



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	and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	strike NE-SW and dip between 55° and 75° NW. There is a higher-grade zone that plunges NE within the plane of the NW dipping ore body. The BYG mineralised structures are developed in the eastern side of the NNE trending Krian Fault and plunge South and dip about 60° toward the Krian Fault. The Krian deposit's mineralised structures generally trend NW-SE, and also dip at about 60°. - The drilling orientation is considered appropriate for sampling the principal mineralization orientation. Sufficient data density exists, and enough drill core logging, detailed mapping and statistical analysis has been done to consider sampling to be unbiased. - The steeply dipping mineralisation intersected by steep drill holes results in long intersections and as long as, in most cases mineralised width between host hanging wall and footwall contacts were sampled, any bias resulting is not considered material to this estimate. - TMCSA reported in the Pre-feasibility Study 2013 Section 11-Sampling Assaying, that there is no expected bias due to the orientation of the drilling and the orebody strike continuity.
Sample security	The measures taken to ensure sample security.	- Since 2007, all drill core was moved from drilling sites to the secure sample preparation facilities in Bau as soon as practical by geological staff. - All drill core and RC chips are stored at the core shed in Bau, along with sample pulps and coarse rejects. - The core logging and sample preparation areas were manned during working hours and had security patrols at night. Samples were stored in a fenced, locked and guarded core yard. - More recently, only authorized NBG personnel were allowed access to the SGS sample preparation and laboratory areas and release of data could only come from the authorized laboratory manager to identified, authorized senior personnel at NBG. - At the NBG Bau preparation area, all samples were packaged in secure cloth bags and taken over to the Bau SGS laboratory where samples were recorded, batch numbers assigned and passed into SGS's system. Samples were stored in a secure and locked area specifically for NBG samples. - NBG sample dispatch and SGS batch numbers were used for track and cross-checking through a Chain of Custody protocol. - For "off-shore" analysis, the split samples for Fire Assay were retained at SGS, while the splits for ICP were sealed in plastic bags, received in Kuching by NBG staff accompanied with sample dispatch sheets and bills of lading, and copies retained with the sample ledger following a Chain of Custody protocol. - NBG/Besra samples were air freighted using DHL to the MAS laboratory in Bangkok, Thailand or other laboratories as appropriate, and SGS in Bau in 2012. The laboratory was required to notify NBG if the samples did not arrive with the NBG/Besra seals intact and to retain all seals so that a probable Chain of Custody would be available. - Information regarding sample security, submission, storage procedures, Chain of Custody are described in



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		Section 11, Sampling -Assaying of the Pre-feasibility Study 2013.
<i>Audits or reviews</i>	The results of any audits or reviews of sampling techniques and data.	- TMCSA used all NBG original signed assay sheets from its programs extensively for checking and validating the databases. They checked these against physical drill core from current and historic drill holes. - Historic data was audited in 2010 by TMCSA which noted that no matters of a serious nature, or nature likely to impair the validity of the sampling data and any subsequent use in the Mineral Resource estimates or Ore Reserve work. - TMCSA wrote that it was confident the sample data had been verified to an acceptable level of confidence. Issues remained with some of the early fire assay data from the BYG site laboratory when converting from pennyweights to grams, and with the background/detection limits used. TMCSA took the approach that with early fire assay data issues, AAS data was applied instead. Later assaying by the BYG site laboratory was independently checked by RGC and BYG/Menzies and issues identified, remedied or other independent and certified laboratories used. - SGS conduct its own internal audits and reviews which are relayed to the COO of Besra. - NBG used MAS in Thailand and ALS in Australia and TMCSA's investigations show this sample data to be valid. - CP, Kevin J. Wright had not reviewed the audits at that time and the otherwise findings of the audits have not been verified. - CP, Kevin J. Wright has reviewed a population of the SGS assay certificates. - According to TMCSA, previous validation and review of the historic data was conducted by a number of parties including Snowden & Associates, Australia and Ashby Consultants, New Zealand with no material problems being raised.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

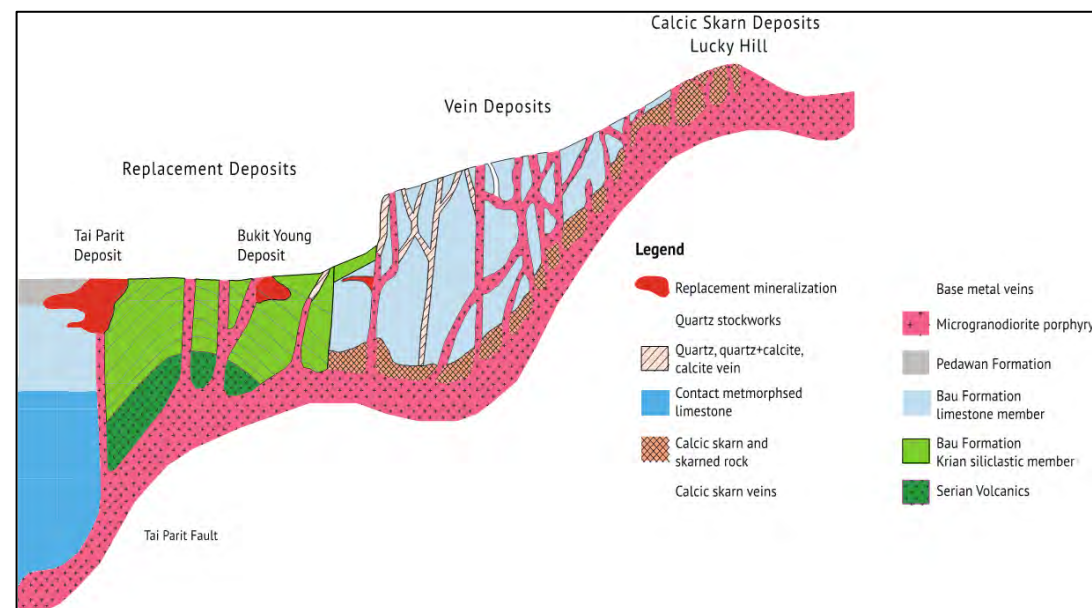
Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	- Besra's interest in Bau is through its indirect shareholding in North Borneo Gold Sdn Bhd (a Malaysian company, hereinafter referred to as "NBG") through two subsidiary companies: Bau Mining Limited ("BML") which owns 55% of the shares in NBG; and Besra Labuan Limited ("BLL") which owns 37.01% of the shares in NBG. Besra holds a 91% ownership stake in BML, (the other 9% of the shares in BML are held by Golden Celesta Sdn Bhd ("GCSB")). Besra 100% of the shares in BLL. - NBG is governed by a joint venture agreement between the Company and a local Malaysian company, Gladioli Enterprises Sdn Bhd ("Gladioli") and is the operator of the Bau Gold Project. Gladioli is owned by the Ling family of Kuching. See attached summary. <u>Structure</u> - The main joint venture company is NBG. - BML owns 55% of the ordinary shares in NBG, BLL owns 37.01% and Gladioli Enterprises Sdn Bhd ("Gladioli") owns the remaining 7.99%. BLL has an agreement with Gladioli to acquire an additional 6.49%. - NBG does not own the Tenements or any of the land owned by the Gladioli companies, it simply has rights to use such land and Tenements in accordance with the JV agreement. BML & Labuan or NBG can call for the Tenements to be transferred into the name of NBG, at which point those Tenements cease to be governed by the below structure. <u>Operations</u> - NBG is to undertake all exploration and mining activities of the JV. Once a final feasibility study has been undertaken in relation to a particular area and a decision to mine has been made then a milling company ("Milling Company") will be incorporated to process the ore mined by NBG. The Milling Company is the company in which the "profit" of the JV will reside. As with NBG, the Milling Company will be owned by BML, BLL and Gladioli in the same respective shares as they own in NBG. In the alternative NBG can acquire the sole economic and beneficial ownership of the mined ore from Gladioli for RM10.00. <u>Tenements</u> - The Tenements are currently held by the relevant Gladioli entities. BML/Labuan or NBG can at any time direct Gladioli to transfer the Tenements to NBG. - The Tenements and the Specified Assets (being office buildings, the tailing dam, etc) are to be made



Criteria	JORC Code explanation	Commentary
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	available to NBG and the Milling Company in order to enable them to carry out their functions. - Gladioli is required to pursue renewal of the Expired Licences with due diligence. - For the duration of the JV the Gladioli companies must not sell, transfer or mortgage the Tenements other than with the consent of BML and Labuan. The Gladioli companies are obliged to maintain the Tenements in good standing and to renew the Tenements as and when required. All rentals and renewal fees are for the account of NBG. - A potential impairment occasioned by the potential revocation of four Mining Leases (MLs) to facilitate the establishment of the Dered Krian National Park ("Park") has a near-term adverse impact upon the Bau project, however the bulk of the resources and reserve reduction remain external to the Park, so much of these potential reductions will be preserved under an excision proposal or new tenement applications if required. In which case the resources within these new MLs, external to the Park would contain the bulk of the resources and reserve of the four potentially revoked original MLs.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Gold was reported to have been exported from Bau from the 12th Century and gold mining activities have been reported from the Indonesian southern extension of the Bau District from as early as 1760. - Mining in the Bau District dates from the 1820s, when Chinese prospectors exploited gold ores. Historical recorded gold production from the Bau area is 1.46 million Au Oz though the actual figure is thought to be 3-4 million Au Oz when production prior to 1898, unreported and recent production by Gladioli Group in the mid to late 1990's, is considered. - In the late 1970's the Ling family consolidated tenements into a holding covering most of the prospective ground in the Bau Goldfield and re-opened the Tai Parit reporting production at 700,000 Au Oz, including 213,000 Au Oz by Bukit Young Goldmine Sdn Bhd ("BYG") between 1991 and 1997. - A joint venture between BYG and RGC in 1985 conducted regional work around Bau as well as drilling several deep diamond drill holes at the Tai Parit mine and the central intrusive contacts. - Minsarco, (subsidiary of GENCOR), carried out a Pre-feasibility study at Jugan in 1994. Resource estimates were prepared by Resource Services Group ("RSG") of Western Australia. BYG/ Menzies replaced Minsarco in 1996 acquiring a 55% interest in all tenements held by Gladioli. - In 1996, BYG/Menzies initiated a Pre-feasibility study based on Bau, Jugan, Pejiru, Kapor and Bekajang deposits. - Resource estimates for Jugan and Pejiru, were prepared and the subsequent estimate for Jugan reported significantly lower estimates than the 1994 estimate. - BYG/Menzies continued with an extensive exploration programme throughout the field with largely shallow RC drilling, but withdrew by 2001.



Criteria	JORC Code explanation	Commentary
Geology	Deposit type, geological setting and style of mineralisation.	<u>Bau Project Geology</u> - The exposed rocks in the Bau district are dominated by a sequence of Late Jurassic to Early Cretaceous aged marine sediments. These comprise the lower Bau Limestone, unconformably overlain by the flysch sequence, Pedawan Formation dominated by shale. - The oldest rocks in the Bau Goldfield are the Triassic-aged Serian andesitic volcanics that do not crop out but lie beneath the Bau Limestone. The Jagoi Granodiorite intrusive is thought to be co-eval with the Serian volcanics and it crops out SW of Bau on the Indonesian border. - The Bau Goldfield deposits are characterized by four distinctive gold mineralisation styles that exhibit both lateral and vertical geochemical and mineralogical zonation with respect to the Bau Trend intrusives: - Sediment Rock-Hosted Disseminated Gold Deposits, e.g. Jugan; Bukit Sarin; - Silica replacement (jasperoid) and open space siliceous breccias, e.g. Tai Parit; Bukit Young Pit, Bekajang; - Mangano-calcite-quartz veins, e.g. Tai Ton; Pejiru, Kapor; - Magmatic – Hydrothermal porphyry related deposits with/without calc-silicate skarn, e.g. Sirengkok, Sey Seng, Ropih, Arong Bakit, and Juala West. - Each of the 34 deposits or prospects contains one or more of these styles of mineralisation covering an extent of 15km NE-SW by 7-8km NW-SE.

**Bau Generalised Cross-Section**

- The Bau Project geology and mineralisation styles share characteristics with the Carlin Trend in Nevada, USA, hosted in calcareous sediments, host rock permeability important in mineralization, associated with deep faults, Tertiary-aged dacitic intrusives, solution collapse breccias and epithermal association.
- Similarities in Carlin mineralisation style include silicic-argillic-carbonate hydrothermal alteration, fine grained arsenopyrite-pyrite Au common and similar trace element geochemistry, (As, Sb, Hg, Tl).
- Lateral zoning is related to the proximity of the Bau Trend felsic intrusives where they crop out in the up domed portion of the Bau Limestone.
- The trend outward from intrusive centres is skarn/calc-silicate porphyry environment to silica rich mineralised breccias to silica replacement/calcite limestone contact to the more distal disseminated styles such as Jugan.
- Similar zonation patterns exist vertically within deposits such as Tai Parit, the only deposit mined to any depth.



Criteria	JORC Code explanation	Commentary
		• Previous exploration focused on the deposits in the central part of the field, less refractory as the deposits become more arsenopyrite rich further away from the intrusive centres. • The zonation present is partly a function of the level of exposure and more distal deposits such as Jugan, Taiton, and Pejiru have excellent potential for locating mineralisation similar to Tai Parit/Bekajang vertically beneath the current levels of exposure. • The Jugan deposit is hosted within the Pedawan Formation, predominantly in highly deformed and sheared carbonaceous shale, laminated shales, mudstones and interbeds of fine to medium grained sandstone. The shearing and fold axes are dominantly NE trending with the gold mineralisation forming within acicular arsenopyrite and arsenian pyrite disseminated throughout the sediments and within carbonate (ankeritic) veinlet stockworks. • Typically, the arsenopyrite content ranges between 1 % and 5 % and arsenian pyrite from trace to 5 %. Overall sulphide content in the ore zone can be in the 5 % to 7 % range. Sulphide content and gold grade have a close correlation. The deposit has been drilled to approximately 350 metres vertically without the limestone-shale contact being intersected. Several NW trending dykes of post mineral microgranodiorite porphyry transect the ore zone and are invariably strongly hydrothermally altered. • The currently defined resource is largely constrained between hanging wall and footwall shears that strike NE-SW and dip between 55° and 75° NW. In addition, a number of NW-SE trending shear zones have been identified some which appear to be post mineralisation although it may have been developed prior to or during the mineralizing event. There is an interpreted dextral sense of movement on these and opens the possibility of offset extensions and repetitions of the deposit. A well-developed NW-SE trending shear is interpreted to dip at approximately 70° to the NE and appears to cut of the ore body. • There is a higher-grade zone that plunges NE within the plane of the NW dipping ore body. This correlates with a slight increase in incipient silicification and sulphide content. Mineralisation remains open at depth and to the NE. • Structural analysis by NBG geologists has identified that in the eastern part of the ore body there may be a displacement to the ESE by dextral-movement of the traversing NW-fault. This is based on analysis of oriented drill core and interpretation, but no direct evidence exists at this time however the hypothesis needs to be tested with further drilling. <u>Bau Deposit/Sector Geology</u> • The Jugan deposit is hosted predominantly in highly deformed and sheared shales, laminated shales, mudstones and interbeds of sandstone with the gold mineralisation associated acicular arsenopyrite and arsenian pyrite disseminated throughout the sediments and within ankeritic stockworks. • Sulphide content and gold grade have a close correlation. Dykes of post mineral microgranodiorite



Criteria	JORC Code explanation	Commentary
		porphyry transect the strongly hydrothermally altered mineralised zone. - The currently defined resource is largely constrained between hanging wall and footwall shears and other post mineral shear zones may have developed prior to or during the mineralising event that possibly offset extensions and repetitions of the deposit, while further shears cut off the deposit. - Higher grade zone that plunges within the plane of the deposit correlates with a slight increase in silicification and sulphide content. Mineralisation remains open at depth and on strike. - The Sirenggok deposit's gold-arsenic-antimony mineralisation is hosted by veins, stockworks and as disseminations within a quartz diorite porphyry. A younger phase diorite porphyry intrudes the earlier porphyry. A funnel shaped host composite porphyry has concentric phases that intrude the Bau Limestone and flattened out at higher elevation. The currently defined resource is open along strike and at depth. - The Pejiru deposit's mineralisation controls developed within the horst and graben style block faulting at the Bau limestone-shale contact and within the limestone. The deposit outlines show that the most extensive mineralization occurs at the intersection the limestone structures in arsenopyrite or within arsenian pyrite in a sulphide rich zones, often brecciated and silicified lying beneath a massive calcite zone. Sulphide content and gold grade have a close correlation. - Where karst development is greatest, collapse breccias are common with highly auriferous clay produced from weathering of the primary mineralisation. - The Boring deposit's northern area consists of several gold mineralization structures and since drill holes were vertical it is unclear if mineralisation is flat lying, has steep dipping structural control or a combination of both. - The geology of the southern area of the Boring deposit consists of mineralization dominated by the Boring Fault against which a block of Pedawan formation is down thrown against Bau Limestone. The mineralization is found within veins in the limestone and within sulphidic breccia along the karstic limestone shale contact. - The Kapor deposit's mineralisation is hosted in limestone as is the case at Pejiru but with much higher arsenic levels recorded. Gold grade is associated with arsenopyrite and records show arsenic can reach to around 30 % in isolated samples, antimony is strongly anomalous with values in the 100's and 1,000's of ppm. - The Tabai deposit's mineralisation is developed on a vein system mostly composed of brecciated mangano-calcite, frequently vuggy with quartz infilling and silicification, auriferous clay, arsenopyrite, realgar, stibnite and native arsenic. The drill programmes and subsequent modelling traced the mineralization north to Taiton A. - There are four sub-parallel gold mineralised structures that persist to depths of 300 m below surface. The



Criteria	JORC Code explanation	Commentary
		vein system remains open at depth and along strike to the South. - Mineralisation is largely confined to structures within the Bau Limestone; however, there are instances of gold being developed within vuggy drusy quartz veins along contacts with intrusive dacite porphyry dykes. - The Taiton A deposit has several mineralised fault structures trending toward, intersecting and cross cutting the Tai Parit fault zone. At the Taiton A pit mineralisation passes from an upper auriferous secondary clay deposits into primary deposits of mangano-calcite veining with abundant native arsenic, realgar, arsenopyrite, some silicification and drusy quartz veining, brecciation and massive calcite. - Mineralization persists to at least 300m vertically and is open at depth. The mangano-calcite vein style is most common within the Bau Limestone but there is also a common association with the contact zones of NW trending dacite porphyry and andesite porphyry dykes and often weathering of auriferous clay to depths of 100m plus vertically below surface. - The Bungaat deposit's zone of mineralisation is made up of with native arsenic, realgar and coarse calcite vein material in a steep dipping structure with a sub-horizontal set of mineralised calcite veins peripheral to the main structure. - The Taiton-B, including Taiton C mineralisation, is confined to mangano-calcite, quartz with bands and pods of realgar, arsenopyrite and stibnite and trends NW-SE of which 700 m of this vein was an underground mine. Strike and depth extensions remain unexplored. Vein rock chip sample assays ranged from 0.16 to 62.0 Au g/t, with 48 % reporting above 1.0 Au g/t averaging being 7.85 Au g/t. - The vein is generally steep dipping to the NE with some flatter lying zones in the hanging wall composed of banded fine-grained silica, native arsenic, arsenopyrite, realgar and stibnite. - The Umbut area lying NW of Taiton B has mineralisation within quartz calcite structures within the shale limestone contact. Bekajang mineralisation is bound by the BYG-Krian-Johara Fault. Several deposits are known to occur at the shale/limestone contact and are shallow dipping with mineralization developed in siliceous breccias within the shales on the contacts between shale and limestone. Vuggy quartz veins in limestone host gold mineralization as well as a dacite porphyry dyke with strong quartz sericite alteration and disseminated with similar paragenesis to the gold mineralisation at Sirenggok. - The Gunong Krian prospect is located on a steep up faulted block of Bau Limestone based on surface and underground expressions of quartz calc-silicate and calcite veining historically mined for antimony (Lucky Hill mine) and gold and thought to be derived from a deep source. - The Bukit Young Gold Pit (BYG Pit) deposit is developed in the eastern side of the NNE trending Krian Fault where it abuts on the western side against up thrown blocks of Krian Sandstone and adjoining felsic porphyry intrusives.



Criteria	JORC Code explanation	Commentary
		- Gold mineralisation is associated with auriferous quartz-mangano carbonate-sulphide veins, stockworks, and tectonic/hydrothermal breccias within fault “hinges” at major fault intersections in limestone. Ferruginous auriferous clays as cavity fill and microcrystalline silica as breccia matrix and limestone replacement show similarities to the ore mined at the adjoining Tai Parit Pit. - To the immediate west of the BYG Pit, a separate zone of disseminated and vein stockwork gold mineralization within an adjacent intrusive dacitic stock and Krian coarse sandstone. Veins with quartz pseudo morphing carbonate along with sphalerite indicate deeper and hotter conditions during gold deposition, as compared to the deposits further south along the Tai Parit Fault. - Exploration to date at Sey Seng has been insufficient to define a resource. Mineralisation appears to be controlled by steep structures within limestone, shallow dipping bedding plane parallel features, limestone shale contacts with the Sey Seng fault and intrusive contacts. The Borneo Geological Survey logs describe altered porphyry intrusives and calc-silicate alteration of wollastonite and garnet exoskarn. Mineralisation is associated with high sulphide content. Bukit Sarin lies near the intersection of the NW-SE Kojok Fault and the NE-SW trending Say Seng Fault. The area comprises quartzose Sb-Au mineralisation in a quartz-shale breccia. Significant gold mineralisation occurs in many of the previous holes drilled and consists of very fine, arsenopyrite hosted in shale, sandstone and to a lesser extent limestone. Better grade intersections are in sandier and more deformed beds, adjacent to intrusive contacts. - The Juala West prospect surface sampling and trenching located several areas of quartz veined stock worked porphyry and some boulders of highly siliceous skarn and breccia that locally had grades of as high as 95 Au g/t and will need further confirmation sampling. - The Arong Bakit is a limestone quarry and proximal to the Juala intrusives. Many quarried boulders comprise crackle brecciated marble averaging 10 Au g/t with the interstices between clasts infilled with arsenopyrite and pyrite. - High grade gold was successfully intersected by drill holes at the marble/intrusive contact in an exoskarn zone. The altered limestone has rare radiolaria replaced by sphalerite/galena and inclusions of gold (<10 µm); while banded quartz-arsenopyrite-sphalerite-wollastonite-garnet veins. The arsenopyrite contains several gold grains (~25 µm in size).
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - o easting and northing of the drill hole collar - o elevation or RL (Reduced Level – elevation	- The objective of this exercise is to update the Bau Gold Project 2013 Pre-feasibility Study (JORC 2004) to comply with the JORC (2012) criteria. - No material changes have been made to the Bau Gold Project 2013 Pre-feasibility Study’s Mineral Resource and/or Ore Reserves estimate, or the Modifying Factors that were applied. - Exploration results are not being reported but are in support of Mineral Resource and Ore Reserve estimates. A table of all drill hole collars and relevant mineralised intersections are reported in the Pre-



Criteria	JORC Code explanation	Commentary
	above sea level in metres) of the drill hole collar - o dip and azimuth of the hole - o down hole length and interception depth - o hole length.	feasibility Study 2013. • In summary, the drilling database consists of; - o Prior to 2007 175,000m on 2,156 holes recorded in the database and archived records - o 237 auger holes defined the resource in the BYG tailings dam - o In 2007/8 era 5,782m on 50 HQ holes - o 2010/12 40,031m on 208 holes • The complete dataset of holes (historic and current) was used in the Mineral Resource estimate, with some selected holes excluded based on poor data confidence. • All information has been reported in Pre-feasibility Study 2013. • No drill hole information has been excluded.
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Information regarding all the drill holes has been included.
<i>Data aggregation methods</i>	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	• The resource definition infill and extension drilling have been sampled predominantly at 1m intervals. • For each Bau deposit/sector, all assays within the mineralised zone volume were used in the resource/reserve estimates. A top cut in Au g/t was applied to all samples above this value, values were different for each deposit/sector. • Weighting averaging techniques were used for exploration drilling and channel sampling incorporating the sample length and Au grade for composite purposes, over the total length of the intersection.
	• Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail	• In the Au bearing material zone definition, isolated cases of assay values below the lower cut-off were only included where they fell within samples above the cut-off and could not be excluded due to their isolated nature, the effects being minor in nature. • Typical examples of all aggregation of intercepts of short lengths of high-grade and longer lengths of low grade results, that have been applied are part of the drill hole database and its analysis in the Pre-Feasibility Study 2013, Section 11-Sample Preparation, Assaying and Security.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Metal equivalent values have not been used on these primary gold mineralised deposits.
	• These relationships are particularly important	• Exploration results are not being reported but are in support of mineral resource and ore reserve



Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	in the reporting of Exploration Results.	estimates but for the sake of completeness the following is recorded: - For the shallower dipping mineralised structures the drill hole angle placement was selected to target both mineralisation orientations, and intersections approximate the true width. - To intersect the main mineralisation trends at a high angle, holes were oriented to the extent possible normal to the mineralisation's strike direction. - These high angle drill holes produced longer down-dip intersections than the largely sub-vertical mineralised structure's true widths. - The mineral domains were constructed in 3D, hence true widths were considered. - At Jugan 252 holes were drilled with 206 holes intercepting mineralisation (70%); of which 17 were RC holes (7%). - At BYG-Krian 288 holes were drilled of these 203 holes intercepted mineralisation (70%); of which 59 were RC (20%); the latter used in conjunction with diamond holes to define the inferred zone areas. - Overall the great majority of drill holes pierce the deposit mineralised structures.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	- The Jugan defined resource is constrained between hanging wall and footwall shears that strike NE-SW and dip between 55° and 75° NW. Several NW-SE trending dextral shear zones possibly offset extensions and repetitions of the deposit. A NW-SE trending shear dips 70° NE and cuts off the ore body. - The drill programme has helped define a higher-grade zone that plunges NE within the plane of the NW dipping ore body. Mineralisation remains open at depth and to the NE. - All NGB/Besra holes (Jugan and BYG-Krian) were angled and orientated core drilling predominantly 60° angle hole, with a few holes drilled flatter at 45-55° and steeper up to 70° for practical and access reasons. - Most of historic drilling at Jugan and BYG-Krian were drilled vertical. - The Sirenggok defined resource is open along strike and at depth trending NW-SE and steeply dipping to the NE. There are two other areas of mineralisation picked up to the NE in surface samples and several drill holes and surface mineralisation in the SW. - The Pejiru-Bogag deposit comprises a main zone on a NE-SW trend and a NW-SE trend "hinged" zone forming a lobate V surface projection and continues to the NE. The flat lying Pejiru with dimensions of 1,500m in length, 50m to 150m wide where angled drilling delineated up to 80m thick, averaging 15m to 20m of mineralised zone. The most extensive mineralisation occurs 20-30m below surface at the intersection of NW-SE and NE-SW structures. - The Tabai is developed on a vein system between 4m and up to 23m wide, (observed). The drill programmes in 2010/11 traced the mineralisation to Taiton A with less than 100 m separation. - There are four sub-parallel NE to NNW trending gold mineralised structures that persist to depths of 300



Criteria	JORC Code explanation	Commentary
		m in drill holes, remaining open at depth and along strike to the South and to the North merges with Taiton A. - The Boring deposit comprises a northern area with intersections of gold mineralisation ranging from 3m to 50m in vertical down hole intersections. It is unknown if mineralisation is flat lying or has steep dipping structural control or a combination of both. The southern area consists of a NW-SE trending mineralised zones defined by drilling within veins in the limestone and sulphidic breccia along the karstic limestone shale contact. Taiton A comprises Taiton A open pit, the NW striking Overhead Tunnel and several mineralised NW fault structures. The extensive drill core inventory shows mineralisation passes from an upper zone of auriferous secondary clay deposits into primary ore mangano-calcite veining. - Drilling showed Taiton A mineralisation persists to at least 300m vertically and is open at depth.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	True widths are known and have been used to estimate the mineral resource and Ore Reserves.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	- Since exploration results are not being reported, representative sections are included in the Pre-feasibility Study 2013 in addition to relevant drill hole location plans and representative drill sections for each domain area have been included. - All mineralised intersections used in the Mineral Resource estimate are tabulated in the Pre-feasibility Study 2013.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.	- Exploration results are not being reported. - All relevant drill hole data is incorporated in the Mineral Resource estimate.
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock	- Based on positive results from the resource drilling programme and past reviews of the exploration potential surrounding Jugan, NBG combined programmes of soil geochemical sampling to provide a geochemical basis for follow-up geophysics particularly 3D IP along with soil/subcrop spectral analysis (Hychips) to delineate coincident geochemical anomalies and hydrothermal alteration minerals associated with "Carlin-style" or SHRGD deposits analogous to Jugan. - hrltesting in 2013 compared the assay data for Jugan ore zones suggesting that there is very little



Criteria	JORC Code explanation	Commentary
	characteristics; potential deleterious or contaminating substances.	difference in mineral distributions in these ore zones except for minor variations in arsenic and gold contents. This implies that the only visible difference may be that of minor variations in arsenopyrite content, and that the increases in arsenic correlate with increases in gold, caused by either a physical style of gold entrapment or more probably a solid solution gold component in the arsenopyrite lattice, in keeping with the inferred refractory 'Carlin style' gold emplacement advocated for the Bau Project deposits. • Apart from minor variations in mineral textural fabrics and thus style of preferred mineral associations presented by the particle populations, the mineral assemblage is identical for all the Jugan ore zones. • The 2013 programme consisted of close spaced 25m by 25m grid over surface expressions of the Jugan deposit and a more regional programme with samples collected at 50m centres and 200m between lines. • Hand auger samples were collected from the C-horizon, and when the upper horizons were thicker than 3m were collected from the B-horizon. Some three hundred samples collected on the Jugan grid and a further six hundred plus were collected during the more regional phase. • All samples went to the SGS laboratory in Bau for sample preparation and Au Fire assays, (AAS, 50g). The ICP analysis of 26 pathfinder elements was carried out in SGS Port Klang, Malaysia or Perth, WA. • The data was analysed statistically to determine threshold and anomalous values and correlation of elements associated with Jugan style mineralisation. • Jugan Hill and Bukit Sarin deposits showed Au correlation coefficients with arsenic (As), antimony (Sb), bismuth (Bi), sulphur (S) and thallium (Tl) • Jugan grid soil sampling showed positive correlation to mineralisation in the geochemical distribution of anomalies of gold and these elements. • Data from wider soil samples were amalgamated and analysed together with the Jugan grid soil samples identifying some twenty-nine gold anomalies have pathfinder element anomalies associated and subject to ground follow mapping are regarded as representing geochemical halos associated with gold mineralisation. • At Bukit Sarin South an extensive geochemical anomaly was delineated outside the previously drilled area by BYG/Menzies, where a small gold resource was identified. • Two other overlapping multi-element anomalies were also identified during this programme, one located SW of Jugan midway to Bukit Sarin, in association with Au-As-Sb and several smaller Au-Sb and Au-S anomalies. The second small anomalies in an area located ESE of the Jugan Hill consisting of Au-As-Sb-S and Au-Sb-Tl. • Both anomalies require in fill grid-based soil sampling while the other point sample anomalies need ground truthing and follow-up geochemical sampling to understand their significance.
	• The nature and scale of planned further work	• The Bau Gold Project is a 346.94 km² complex property with a gold resources lying within five



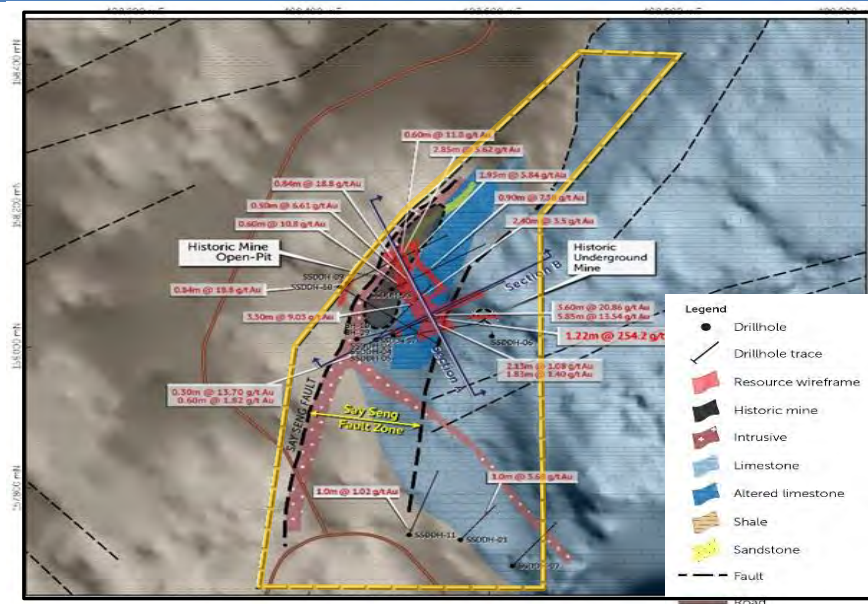
Criteria	JORC Code explanation	Commentary
<i>Further work</i>	(e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	“brownfield” deposits warranting a camp-scale exploration development (rather than deposit-by-deposit). Preparatory to a future more comprehensive Pre-feasibility Study, Besra is planning exploration and resource drilling programmes with the following objectives: - o Extend the prospective “Mine-Life” (by lifting the global-resource above current figures). - o Reduce the “per ounce” cost of gold produced by enhancing the global-average gold-grade. - o Reduce “risk” by upgrading currently “Inferred” resources to “Indicated”, or better category. • The proposed exploration programme to achieve these objectives will focus on five central deposits (Jugan, Sirenggok, Say Seng, Bekajang and Pejiru), where results from prior exploration have enabled upside potential within specific deposit extensions.
	• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	SAY SENG By extrapolating the trend of the Inferred Resources (Section 9.5, Table 9-1 this report), either down-dip, along strike, and/or across a range of surface geological features, geophysical and/or geochemical anomaly footprints known to have associations with the Inferred Resource mineralisation geometry, the basis for estimating an Exploration Target in two specific settings have been defined at the Say Seng deposit extension and Bukit Sarin deposit extension Say Seng and Bukit Sarin (Prospectus Section 3.11 (b) (ii)). The potential quantity and grade of these two Exploration Targets is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of any Mineral Resource. The following diagrams illustrate the conceptual nature of areas of possible extension related to these Exploration Targets.



Criteria

JORC Code explanation

Commentary



Say Seng Resource wireframe, superimposed onto the solid geology with Exploration Target area outlined with yellow dashed border.

BUKIT SARIN

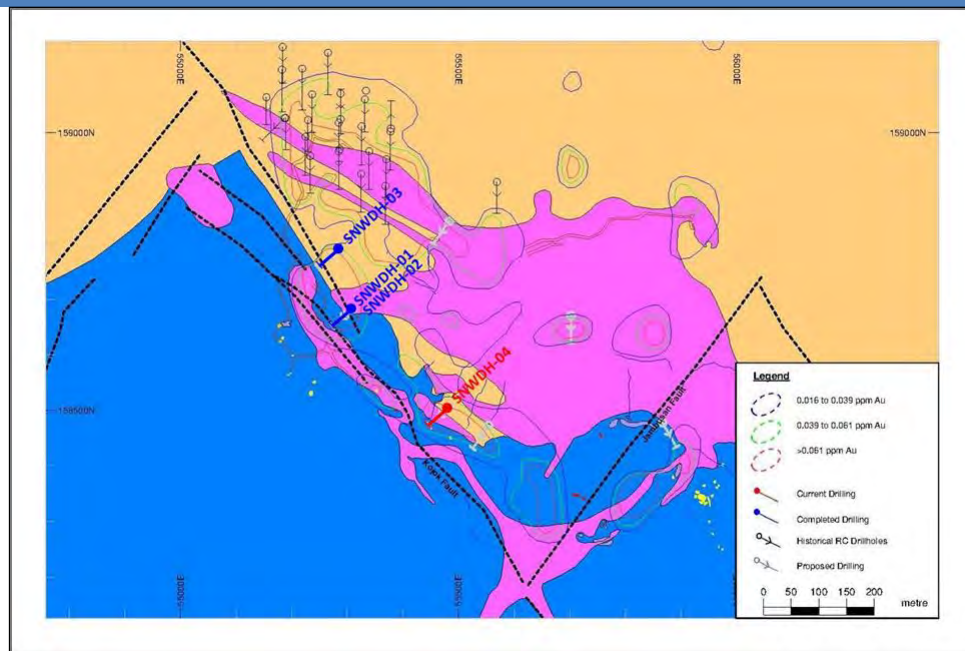
The delineated Inferred Resources at Bukit Sarin (Section 9.5, Table 9-1 this report) are associated with a broad area of anomalous geochemical readings for five pathfinder elements; arsenic (As), antimony (Sb), bismuth (Bi), sulphur (S) and thallium (Tl). These areas partially overlap the Resource wireframe and suggest a greater zone of mineralisation lies beyond it (Refer figure below) and this provides one basis for estimation of the Exploration Target (Prospectus Section 3.11 (b) (ii)). In addition, consistent with the level of drilling so far undertaken, the extent of mineralisation (as illustrated in the figure) remains open down-dip and up-dip, as conceptually indicated by the yellow highlighted envelope. Higher grade mineralisation is also conceptually anticipated at depth associated with greater endowment within more condensed sequences.



Criteria

JORC Code explanation

Commentary



Location of drill holes upon which Inferred Resources are estimated relative to the extent of geochemical soil anomalies in the Bukit Sarin area.

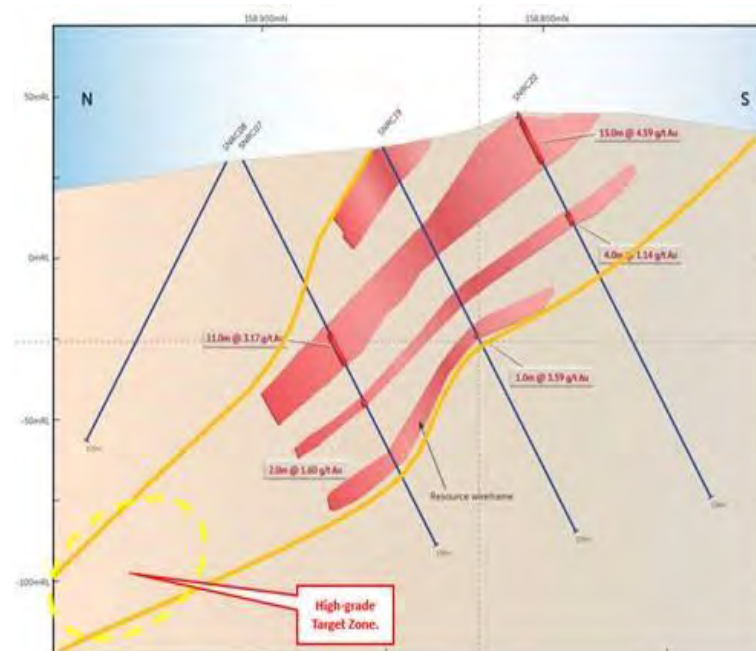


Criteria

JORC Code explanation

Commentary

For the Say Seng deposit the forward exploration approach would be to initially target the previous high-grade drill intercept with a series of scout diamond drill holes stepped-out at 50m intervals along the Say Seng Fault.



Bukit Sarin cross section showing up-dip and down-dip extrapolation of Exploration Target areas.

Subject to positive results, systematic step-out and in-fill drilling would follow.

At Bukit Sarin the forward exploration approach would be to initially scout-drill the Kojok/Say Seng fault intersection at a deeper level, together with a series of holes in each direction along the intrusive contact away from the existing deposit. Subject to positive scout-drilling results, systematic step-out and in-fill drilling would follow.



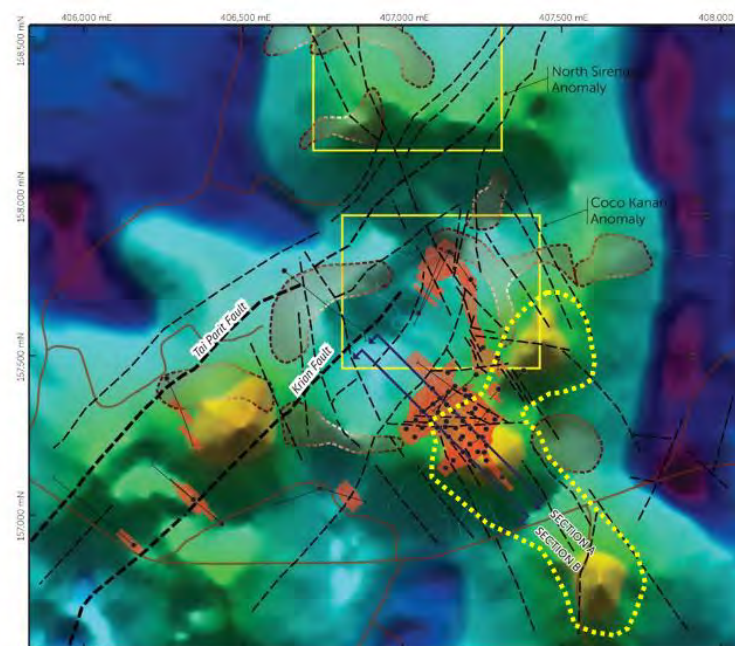
Criteria

JORC Code explanation

Commentary

SIRENGGOK

The following figure shows the relative setting of the Deep Resistivity Anomaly Exploration Target and Extension of Resource Extensions of the existing wireframe Resource, particularly to the southeast (dashed yellow lines) referred to in Prospectus Section 3.11.(b0(iii)). Potential extensions of mineralisation beyond the existing wireframe is supported by the distribution of drilling, which has not generally delineated the extent of mineralisation either along dip, strike or in some places at depth. The Deep Resistivity Anomaly (Figure 7-2 this report) is also shown between the Tai Parit and Krian faults. Nevertheless, it is noted that the potential quantity and grade of the Exploration Target in both areas is conceptual in nature and there has been insufficient exploration to allow JORC Resource estimation within either and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Sirenggok Resource (wireframe highlighted in red) showing its position relative to surrounding structuring, magnetic and resistivity anomalies.



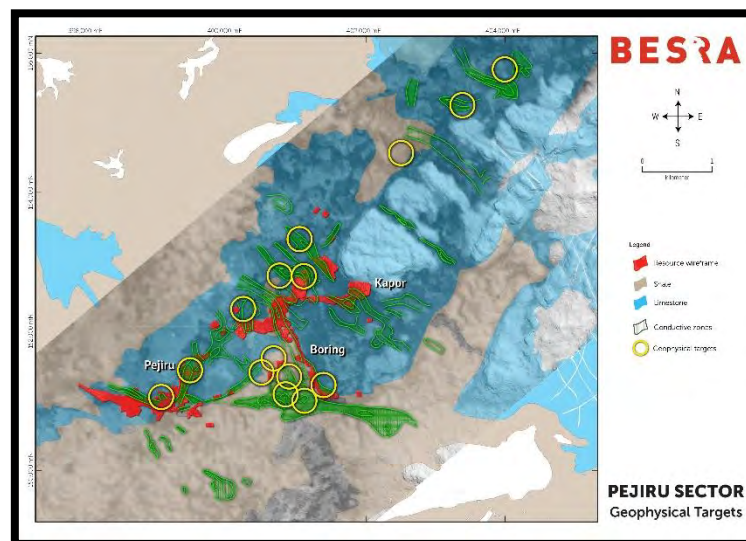
Criteria	JORC Code explanation	Commentary
		The Deep Resistivity Anomaly will be subject to proof-of-concept drilling initially being tested by two strategically sited scout diamond drill holes targeted below the historic drill intercepts. Subject to positive results, systematic step-out and in-fill drilling would follow. Extensions of the existing Resource will be initially tested by six scout drill holes targeting the indicated depth and strike extensions and resistivity features. Subject to positive results, step-out and in-fill drilling would follow. PEJIRU Existing resource wireframes as typified by Figure 10-1 in this report reflect shallow, flat-lying mineralisation at Pejiru within hydrothermal fluid out-flow zones. Possible extensions of mineralisation at Pejiru are associated with Exploration Targets postulated surrounding the existing Inferred Resource wireframe where drilling density has not enabled the dip, depth and strike extent of mineralisation to be defined, as described in Section 3.11(b)v of the Prospectus. It is proposed that future exploration of this Exploration Target will involve infill and step-out drilling beyond the existing Resource Wireframe in areas coincident with geophysical anomalies. A second style of Exploration Target at Pejiru described in Section 3.11(b)v of the Prospectus is based on geophysical coverage and geological mapping which has enabled 15 feeder systems to be identified as potentially sourcing some of these out-flow zones (Refer Figure 10-1 this report). It is intended that several deep scout drill holes will be drilled as proof-of-concept tests for the presence of deeper feeder related mineralisation.



Criteria

JORC Code explanation

Commentary



It is noted that the potential quantity and grade of the Exploration Targets at Pejiru is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of any Mineral Resource.

JUGAN DEPOSIT

As shown in Figure 10-2 of this report the Jugan Hill deposit it is anticipated that deeper drilling will continue to encounter higher-grade mineralization, as the ore zone becomes progressively more constrained downwards towards the underlying contact with Bau Limestone. Drilling down-dip therefore offers potential for expansion of higher-grade resource. The forward exploration approach would be to initially target scout diamond drilling on the depth extension, at about RL-370m (i.e., 50 m beneath the current drilling depth limit). Subject to positive results, step-out and in-fill drilling would follow.

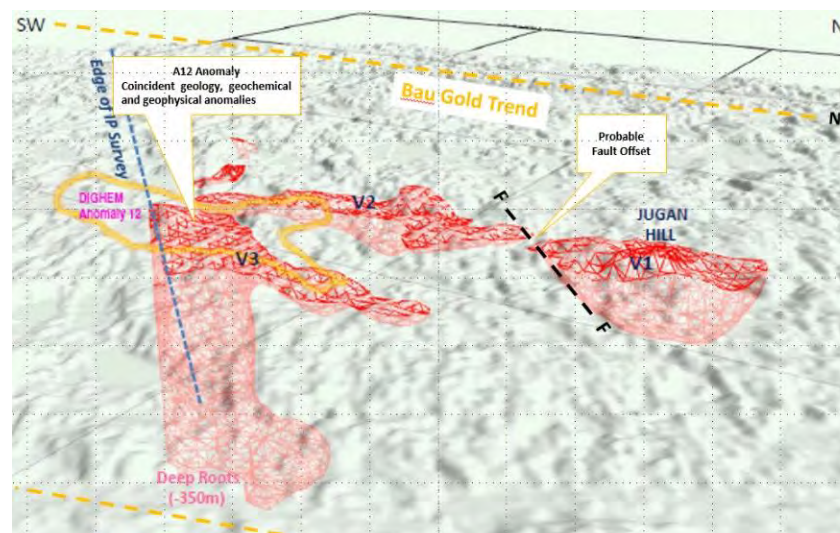
About 1.5 km along the Bau Gold Trend to the SW lies the A12 prospect area. As shown on the figure below a deep IP anomaly is associated with the A12 anomaly which is offset from the Jugan Hill Resource by a fault. The IP anomaly at A12 is also associated with coincident geological, geochemical and other geophysical anomalies similar to those present at Jugan Hill. Together these support the basis for the Exploration Target for A12 outlined in the Prospectus at Section 3.11(b) i.



Criteria

JORC Code explanation

Commentary



The forward exploration approach would be to initially target the A12 area with scout diamond drilling; some targeting RL -100m depth and some targeting the deep root zone to about RL -250m depth. Subject to positive results, step-out and in-fill drilling would follow.

It is noted that the potential quantity and grade of the Exploration Targets at Pejiru is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of any Mineral Resource.



Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	- NBG stored all historic hard copy records including dispatch sheets, original signed assay result sheets, and geological logs on the site office in Bau. - Overall 1,614 drill holes within the resource areas were verified by TMCSA and in terms of collar, survey, geology, density, assay values and intervals, including validation of 63,694 drill hole assay records and 1,610 channel/trench assay records. - From the database validation carried out, TMCSA stated that it was satisfied with the data integrity used for the Mineral Resource estimation. - Database validation was conducted regularly and when the resource definition began, CP, Graeme Fulton (GF) of TMC used the standard mining software packages (Datamine/CAE Mining) tools which imported the final database from MS Access which includes a final validation step that checks for consistency within the database prior to final loading. - In 2011 and 2012 gold only Mineral Resource estimate updates and the 2010 original Mineral Resource definition, were based on the 2010 through 2012 drilling results. TMCSA also reviewed, validated, and incorporated all historic and most recent drilling results including geological and lithological re-interpretation. - The Jugan BYG-Krian deposits Mineral Resource assessment conducted by TMCSA in 2010 and by GF/Besra in 2012 resource updates included: - Reviewed and validated the Mineral Resource database and associated data; - Reviewed, input and validated information and data not captured in the above database (hardcopy format) including other digital data; - Combined the above data into a clean and validated resource database-referential integrity, with associated data being verified ahead of final loading onto the Bau exploration office server; - All data on the Bau exploration office server and GF's laptop has been copied to the Besra server in Auckland, NZ.
	Data validation procedures used	- Data analysis and validation was carried out by TMCSA on the primary Mineral Resource data: - Accessed the Database for each deposit and also recent data not in the then current database, e.g. NBG/Besra data. - Checked collar coordinates against original survey data sheets, duplications and omissions. - Checked downhole surveys and extent of deviation. - Modified log codes where necessary; developed consistent coding system based on the existing BYG/Menzies coding system. - Checked assays in database against original data logs for BYG/Menzies, RGC and Gencor for missing,



Criteria	JORC Code explanation	Commentary
		outlier, and negative values. ○ Compiled existing BYG/Menzies drill assay database, using original primary data laboratory assay certificates and/or from drill logs, including fire, roasted fire assay, and AAS, roasted AAS compared with data in Access database, corrected omissions, errors etc., and derived an accepted interval value Mineral Resource modelling. ○ Input data from NBG/Besra hard copy logs into new database for each deposit, checking sample and log overlapping, log continuity, anomalous densities, and hole termination agreement. ○ Checked geological log codes on Access database for each deposit. ○ Any suspect information encountered while validating the data to be used for the Mineral Resource estimate was discussed with NBG/Besra's senior project geologist and the CPs with TMCSA.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	• CP, Graeme Fulton, as General Manager for NBG/Besra spent all of his time, (except for R&R) at the Bau Project site overseeing the exploration drilling, sampling, data management as well as the geological and resource modelling. • Site visits have been undertaken on five occasions by CP, Kevin J. Wright, in September and December 2017 and April, August and September 2018 for an average duration of six working days. • The Competent Person, Kevin J. Wright visited the site for due diligence related to this report in September 2018 and; ○ Discussed the drilling programme, sampling, geology and mineralisation interpretation for the Mineral Resource estimate. ○ Discussed environmental and community relations challenges with respective employees. ○ Visited the Jugan, Bekajang, Taiton, Sirengkok, Pejiru, and Juala deposits/sectors and assessed the deposits' amenability to mining related to access and topography. ○ Visited the BYG TSF, core yard and SGS laboratory and NBG/Besra metallurgical facilities during test work activities. ○ Visited the NBG/Besra Bau exploration office, observed the computer hard and software, server and hardcopy document archives. • CP, Kevin J. Wright has reviewed in some detail the relevant sections of the Pre-feasibility Study 2013 that apply to the Mineral Resource estimate and has a workable understanding of NBG/Besra's exploration achievements related to drilling sample and data analytical integrity, and the basis for the Mineral Resource estimate stated in the Pre-feasibility Study 2013's technical support and conclusions.
	• If no site visits have been undertaken indicate why this is the case.	• Site visits have been undertaken on five occasions by CP, Kevin J. Wright.
	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the	• The confidence in the interpretation of the geology is high to moderate because of the large systematic drill hole database and sound knowledge of the geological and mineralisation continuity from core examinations,



Criteria	JORC Code explanation	Commentary
<i>Geological interpretation</i>	mineral deposit.	exposed geology in mining pits and underground working as well as the abundance of archived historic information. Little local knowledge of the deposits has been lost over the years despite changing ownership. • However, there is a degree of uncertainty in the grade continuity with the drill hole spacing, especially the 50m to 100m range, which is a result of the many mineralisation styles, orientations and in particular the types of faulting. • The major mineralisation domains for each deposit/sector were defined using grade constraints and a nominal cut-off grade of 0.5 Au g/t was used to define boundaries between mineralised and weakly-mineralised or unmineralized domains. The interpretation was completed along sections typically at spacings of 25m (Jugan/BYG-Krian) to 50m and some sections 100m to 200m spacing where there were scarce drilling results. The interpretation was triangulated to form 3D solids, the mineral domains. • At Jugan and BYG-Krian, As, S and Fe were included in the block model. Historically, the Fe was not analysed systematically in shallow holes, S was rare in these holes but As was common. • When NBG/Besra engaged, they systematically assayed for Fe and As; and S was included part way through. Drilling focused on infill and confirmatory holes for shallow and systematic patterns for the deeper zones. • In individual 1m samples the S, Fe and As varied at specific mineralised Au intersections depending on the arsenopyrite and pyrite content and averaged out over the mineralised interval. Au generally increased with arsenopyrite quantity but not always as high arsenopyrite and low gold were found in some instances. At Jugan when drilling neared the orebody the pyrite content picked up and arsenopyrite appeared, then Au picked up when the arsenopyrite level went above 1-1.5%. • The amount and volume of oxide or partially oxide transition material was included in the Mineral Resource estimate but made up a small portion of said resource.
	• Nature of the data used and of any assumptions made.	• The mineralisation was primarily defined by logging and assay data from DDC and some RC, supported by surface mapping, outcrop locations and channel sampling to the extent that historical and recent geology data together developed a geological framework for the interpretation of the mineralised domains. • A geological relationship was developed from the gold grade Vs logged geology to facilitate mineralisation interpretation in zones of uncertain grade continuity; considered assumptive. • This drilling data base, plan views, and sections containing lithology and structure were used to interpret the geological modelling. The assumption here is that the interpretation is reliable. • The validity of the original historical DDC and RC logged geology, surface mapping and data related to geological interpretation must be considered as assumed, notwithstanding verification by TMCSA.
	• The effect, if any, of alternative interpretations on Mineral Resource estimation.	• There are no significant alternative interpretations of geology that would effect the Mineral Resource estimate using the current data but may be developed with further drilling. • All previous geological interpretations undertaken by others have been reviewed considering the most recent



Criteria	JORC Code explanation	Commentary
		drill hole and other sources of information were only taken in to consideration as appropriate for Mineral Resource estimation. The only scenario for alternative interpretation related to mineralisation controls would be local variations along strike, dip and thickness but unlikely to materially impact the Mineral Resource estimate.
	The use of geology in guiding and controlling Mineral Resource estimation.	- The mineralised structures throughout the Bau Project deposits/sectors vary in understanding and where the drilling coverage is adequate, geological continuity is understood enough between sections. - The geological relationship which was developed to facilitate mineralisation interpretation took into consideration logged hole Au assay cut-off, geology, control structure type and orientation, lithology and alteration. - As it relates to Mineral Resource estimation, the geology of the primary deposits/sectors was defined in the following manner: - From drill hole and exploration trench sections, interpreted faults, and geological and mineralised zone grade boundaries were correlated between sections along strike, and compiled for interpretation; - The granodiorite dykes were also interpreted from drill holes and surface mapping; - The grade boundaries were correlated from section to section and cross-checked in plan; - In the absence of zone continuity, extrapolations were made in between the two drill sections, and up/down dip, using standard methodologies; - The definition of the mineralized zones and the methodology used was validated visually on each section, and in 3D, and samples within the zone wireframe were analysed; - The Au bearing material zones and intrusive dyke wireframes were generated using well known software and validated. These were then filled with block model cells orientated orthogonally and given a separate zone code to differentiate the Au bearing zones during the estimation process (i.e. no Au estimation in dykes). The block model parameters are listed in the Section 14 of the PFS 2013
	The factors affecting continuity both of grade and geology.	The predominant factors affecting continuity of Au grade appear to be structural orientation both localised and on a project scale, such as faults and fractures that cut and displace the zone(s). Continuity manifestation varies by deposit/sector based on the aforementioned comment and in some cases the necessitates further drilling.
<i>Dimensions</i>	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	- The Jugan deposit's mineralised zone constrained between hanging wall and footwall shears striking 200m NE-SW, averaging 150m across and dips between 55° and 75° NW. - The Pejiru-Bogag deposit's main mineralization is essentially flat lying over 1,500m length, 50m to 150m wide and up to 80m thick, averaging 15m to 20m. It has a NE-SW and a NW-SE trend, giving a lobate V surface projection. Pejiru Extension is a NE continuation of the Pejiru-Bogag zone and the main mineralised zones lie at 20-30m



Criteria	JORC Code explanation	Commentary
		below surface being thickest at fault intersections and where semicircular collapse features within limestone. - The Sirenggok deposit's main trend is NW-SE, 700m is open along strike and at depth of 300m steeply dipping to the NE. Two other mineralization zones outcrop to the NE and SW. - The Boring deposit's northern area covers around 150m square and consists of several intersections of gold mineralization ranging from 3m to 50m. The southern mineralization trends NW-S within veins in the limestone and sulphidic breccia along the 1,500m karstic limestone shale contact. - The Kapor deposit's mineralisation can be traced 2.5 km along strike to the SW hosted in limestone. - The Taiton sector's mineralisation is aligned in the South with the Tai Parit Fault and the North with Tabai, Taiton A, Overhead Tunnel (over a strike length of ~1.2 km), Bungaat and Saburan. In the NE, aligned with the Taiton Fault, are the Umbut, Taiton B and Taiton C deposits. - The Tabai mineralisation is developed on a vein system between 4m and up to 23m wide. Four sub-parallel NE to NNW trending gold mineralised structures that persist to depths of 300m below surface. The vein system remains open at depth and along strike to the South. To the North it merges with Taiton A. Taiton A mineralisation persists to at least 300m vertically and is open at depth and lies along the Tai Parit Fault Structure comprising the Taiton A pit, the NW striking Overhead Tunnel Adit above Taiton A Pit and several adits. Several mineralised NW fault structures lie vertically above the Taiton A pit and continue to the SE for several hundred metres. - The Taiton-B mineralisation has been mapped over a 1.5 km of strike length and includes Taiton C. It trends NW-SE and a 700m section of this vein has been underground mined. - The Bekajang mineralisation has been traced on strike for 1,500m SE and approximately 700m across strike.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	- Block model interpolation used appropriate statistical data and continuity analysis of domains applying kriging oriented ellipsoidal search radii specific to the domain, and minimum and maximum number of samples varied respectively. - The extrapolation distance varied in conformity with drill hole spacing for the deposits. - The basis for using high grade top cutting is addressed more appropriately below. - TMCSA executed the resource estimation and modelling using Ordinary Kriging from 1m composites into specific, appropriate estimation domains for the style and nature of mineralisation for the Jugan, Sirenggok, and the Taiton, Pejiru and Bekajang-Krian sectors. - The Taiton sector includes Taiton A, Taiton B, Tabai and the Overhead Tunnel deposits. - The Pejiru sector included the Pejiru-Bogag, Pejiru Extension, Boring and Kapor deposits. - The Bekajang-Krian sector included the Bekajang North, Bekajang South, Johara, Karang Bila and BYG-Krian deposits. - Jugan and Sirenggok are individual deposits. - Orebody solids were interpreted at a 0.5 Au g/t grade boundary reflecting the interpreted geology considered



Criteria	JORC Code explanation	Commentary
		a natural domain for mineralised material within the Bau Project deposits. • The mineralised zone wireframes were generated in Gemcom/Datamine/CAE Mining and imported into Datamine/CAE Mining and validated then filled with block model cells orientated orthogonally. • Variography was implemented to: ○ Establish the extent of anisotropy in the deposits; ○ Determine the spatial continuity of mineralization along the principal main anisotropic orientations; ○ Develop variogram model parameters for geostatistical grade interpolation; ○ Direct selection of optimum search parameters for Mineral Resource estimation. • Directional semi-variograms for strike, dip and down hole directions were generated for Au for each of the Bau Project deposits/sectors using the drill hole composites constrained by orebody solids. • Downhole, horizontal and vertical increment semi-variograms were generated with the best semi-variograms selected that defined the strike, dip and dip direction reflecting the hole composite spacing. These semi-variograms determined the nugget, sill values and ranges. • A log semi-variogram and two-range spherical model were used. A best fit model in the downhole semi-variogram was used to define the nugget. Subsequent model fitting was applied to the strike and dip/dip-direction to define the sill values by varying the ranges in these directions. • The modelled log semi-variogram values were back calculated to normal semi-variograms for use with Ordinary Kriging. • Search ellipse and Ordinary Kriging Parameters were derived from the variogram analysis and are summarised in table below. • The Au bearing mineralised zone and intrusive dyke wireframes were generated in Datamine/CAE Mining by TMCSA and validated. • A total of 2,085 density values take from core measurements were used for distribution within the models ranging from 1.53 to 3.16 t/m³, with a mean of 2.64 t/m³. The block densities were determined by Inverse Distance Squared with a search radius enough to fill the model.



Criteria	JORC Code explanation	Commentary					
		Ordinary Kriging Estimation Parameter	Jugan	Bekajang-Krian	Bekajang-North	Bekajang-South	Sirenggok
		Search Orientation	75° dip at 300° azimuth and 30° plunge	85° dip at 285° azimuth	0° dip at 15° azimuth	0° dip at 45° azimuth	50° dip at 40° azimuth
		Nugget	0.34	0.31	0.27	0.19	0.22
		Variogram Type	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)
		Sill (Range 1)	0.29	0.33	0.17	0.15	0.37
		Sill (Range 2)	0.39	0.36	0.56	0.66	0.42
		Range 1	7m x 10m x 7m	7m x 7m x 8m	8m x 5m x 5m	10m x 10m x 2m	5m x 5m x 5m
		Range 2	40m x 80m x 40m	60m x 40m x 50m	30m x 30m x 16m	55m x 25m x 10m	40m x 40m x 40m
		Search Volume/Factor	Range 2 & 2x	Range 2 & 2x	Range 2	Range 2	
		Minimum Samples	2 (1)	2 (1)	2	2	2
		Maximum Samples	32 (32)	32 (32)	32	32	32
		Ordinary Kriging Estimation Parameter	Pejiru-Bogag	Boring	Pejiru-Ext	Kapor	Taiton A



Criteria	JORC Code explanation	Commentary					
		Search Orientation	0° dip at 30° azimuth	0° dip at 90° azimuth	0° dip at 60° azimuth	0° dip at 15° azimuth	90° dip at 90° azimuth
		Nugget	0.23	0.25	0.23	0.24	0.24
		Variogram Type	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)
		Sill (Range 1)	0.32	0.21	0.33	0.32	0.36
		Sill (Range 2)	0.45	0.54	0.44	0.44	0.4
		Range 1	5m x 5m x 5m	5m x 5m x 8m	10m x 10m x 7m	10m x 10m x 5m	5m x 5m x 2m
		Range 2	45m x 45m x 18m	40m x 40m x 25m	50m x 50m x 30m	35m x 35m x 15m	55m x 55m x 16m
		Search Volume/Factor					2/2x
		Minimum Samples	2	2	2	2	2 (1)
		Maximum Samples	32	32	32	32	32 (32)
		Ordinary Kriging Estimation Parameter	Taiton B	Taiton B-Ext	Tabai	Overhead Tunnel	Umbut



Criteria	JORC Code explanation	Commentary									
		Search Orientation	60° dip at 90° azimuth	140° dip at - 80° azimuth	135° dip at - 75° azimuth	0° dip at 150° azimuth	55° dip at 225° azimuth				
		Nugget	0.25	0.27	0.27	0.53	0.14				
		Variogram Type	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)	Spherical (2 range)				
		Sill (Range 1)	0.29	0.41	0.24	0.26	0.44				
		Sill (Range 2)	0.46	0.33	0.49	0.21	0.39				
		Range 1	10m x 13m x 13m	5m x 5m x 5m	3m x 6m x 2m	10m x 10m x 10m	3m x 3m x 3m				
		Range 2	40m x 35m x 35m	60m x 60m x 10m	35m x 30m x 12m	32m x 32m x 28m	25m x 25m x 25m				
		Search Volume/Factor		2/2x	2/2x						
		Minimum Samples	2	2 (1)	2 (1)	2	2				
		Maximum Samples	32	32 (32)	32 (32)	32	32				
The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.		Comparative check estimations used Inverse Distance Squared and Nearest Neighbour (3D polygonal) methods with the following parameters like those used in Ordinary Kriging, for example at Jugan.									
		<table><tr><th>Estimation Parameter</th><th>Value</th></tr><tr><td>Search Orientation</td><td>75° dip at 300° azimuth and 30° plunge</td></tr></table>		Estimation Parameter	Value	Search Orientation	75° dip at 300° azimuth and 30° plunge				
Estimation Parameter	Value										
Search Orientation	75° dip at 300° azimuth and 30° plunge										



Criteria	JORC Code explanation	Commentary								
		<table><tr><td><i>Search Ellipse Range</i></td><td><i>40m x 80m x 40m</i></td></tr><tr><td><i>Search Volume</i></td><td><i>Range & 2x</i></td></tr><tr><td><i>Minimum Samples</i></td><td><i>2 (1)</i></td></tr><tr><td><i>Maximum Samples</i></td><td><i>32 (32)</i></td></tr></table>	<i>Search Ellipse Range</i>	<i>40m x 80m x 40m</i>	<i>Search Volume</i>	<i>Range & 2x</i>	<i>Minimum Samples</i>	<i>2 (1)</i>	<i>Maximum Samples</i>	<i>32 (32)</i>
<i>Search Ellipse Range</i>	<i>40m x 80m x 40m</i>									
<i>Search Volume</i>	<i>Range & 2x</i>									
<i>Minimum Samples</i>	<i>2 (1)</i>									
<i>Maximum Samples</i>	<i>32 (32)</i>									
		- Both checks for Inverse Distance Squared Resource and Nearest Neighbour Resource comparative estimates set at 0.25 Au g/t increments. - No substantial production metrics from historic operations were available, and probably, in any event unreliable as they could not be validated.								
	The assumptions made regarding recovery of by-products.	By-product off-takes have not been considered here as are not a likely outcome from the Bau Project.								
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	- In alignment with baseline work for the EIA, prepared cut core samples were sent to an accredited laboratory (SGS Environmental in Perth, Australia) to assess potentially acid forming (PAF) or non-acid forming (NAF) properties on non-grade mineralised material. Static geochemistry test results showed most of the non-grade or un-mineralized material had strong NAF properties or at least acid consuming characteristics. - CP, Kevin J. Wright has not reviewed the laboratory preparation process used at that time and the proper implementation of SOP's by the laboratory have not been verified.								
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The Au bearing mineralised zones and intrusive dyke wireframes were filled with block model cells orientated orthogonally and given a separate zone code to differentiate the zones during the estimation process (i.e. no estimation in dyke). An example of Block Model Parameters seen below, for example at Jugan. Each deposit was assigned specific and best-fit parameters. <table><tr><th><i>Block Model Parameter</i></th><th><i>Block Model Value</i></th></tr><tr><td><i>Parent Block Cell Size</i></td><td><i>5m x 5m x 2.5m</i></td></tr><tr><td><i>Zone Code</i></td><td><i>Ore Zone=1 & Dyke=2</i></td></tr><tr><td><i>Sub-Cell Size</i></td><td><i>0.625m x 0.625m x 0.5m</i></td></tr></table>	<i>Block Model Parameter</i>	<i>Block Model Value</i>	<i>Parent Block Cell Size</i>	<i>5m x 5m x 2.5m</i>	<i>Zone Code</i>	<i>Ore Zone=1 & Dyke=2</i>	<i>Sub-Cell Size</i>	<i>0.625m x 0.625m x 0.5m</i>
<i>Block Model Parameter</i>	<i>Block Model Value</i>									
<i>Parent Block Cell Size</i>	<i>5m x 5m x 2.5m</i>									
<i>Zone Code</i>	<i>Ore Zone=1 & Dyke=2</i>									
<i>Sub-Cell Size</i>	<i>0.625m x 0.625m x 0.5m</i>									
		- An oriented ellipsoidal search was used on a domain by domain basis. - Due to inconclusive semi-variograms for the other elements, these were interpolated using the Inverse								



Criteria	JORC Code explanation	Commentary
		Distance, though the search ellipse and other inverse distance parameters were as for Au. - As some Fe and S data was not consistent the search ellipse increments were increased to fill all cells as with Au. - No adequate semi-variograms were definable for the Karang Bila deposit and thus estimated using Inverse Distance Squared method and no Ordinary Kriging was undertaken.
	Any assumptions behind modelling of selective mining units.	No assumptions were considered behind modelling selective mining units however for each deposit/sector the parent cell has been sub-celled for the easting, northing and elevation selected to reflect understanding of mineralisation. A Jugan example is shown earlier in a table with criteria block model interpolation.
	Any assumptions about correlation between variables.	- Geostatistical analysis and modelling were done on the geo-metallurgical elements As, Fe and S with mixed and inconclusive results in some instances. - The variograms that could be generated, particularly for As, did show similar directions as for Au though the ranges appeared to be slightly shorter. - The Downhole Semi-Variogram and Dip/Dip Direction Semi-Variogram for As demonstrate the similarities with the Au variograms.
	Description of how the geological interpretation was used to control the resource estimates.	- Geological interpretation guided constraining mineralised domains, the hard boundaries informed only by composited samples lying within the mineralised domains. - Interpreted from drill hole sections showing faults, geological and mineralized zone grade boundaries were correlated from section to section, granodiorite dykes and surface mapping were used for control; - In the absence of zone continuity, extrapolations were made in between the two drill sections, and up/down dip, using standard methodologies; - The definition of the mineralized zones and the methodology used was validated visually on each section, and in 3D, and samples within the zone wireframe were analysed.
	Discussion of basis for using or not using grade cutting or capping.	- High grades cutting applications were used for Mineral Resource estimate and its necessity came from the analysis of drill hole data, related to the grade variability coefficient. - Grade cutting of each domain applied log normal probability plots of grade distribution for the proper cut to minimise the influence of high grade outliers. - For each Bau deposit/sector, all assays within the mineralised zone volume were used in the zonal estimate. A top cut in Au g/t was applied to all samples above this value, different for each deposit/sector. - Top cuts were applied to mineralised zones to reduce the influence of high grade outliers. Through a combination of visual examination of the database and assessing histograms, top cuts values were assigned to remove anomalous high grade outliers without impacting the mean grade of the deposit. - Prior to top cutting, assays considered anomalous were reviewed on sections to see if they were high grade



Criteria	JORC Code explanation	Commentary
		narrow vein type. - Top cuts were applied to composite assays constrained by orebody solids prior to grade estimation in Datamine. <u>Top Cutting Results</u> - All Jugan assays within the Au bearing material zone used in the zonal estimation applied a top cut of 9.75 Au g/t to all samples above this value. - All BYG-Krian sector assays for Bekajang North deposit within the Au bearing material zone used in the zonal estimation applied a top cut of 33.13 Au g/t and similarly for Bekajang South applied a top cut of 19.30 Au g/t to all samples above this value. A value of 10.00 Au g/t for Karang Bila was applied as the maximum grade. - All Sirenggok assays within the Au bearing material zone used in the zonal estimation applied a top cut of 7.31 Au g/t to all samples above this value. - All Pejiru sector assays for Pejiru-Bogag deposit within the Au bearing material zone used in the zonal estimation applied a top cut of 11.77 Au g/t, similarly for Boring 6.47 Au g/t, for Taiton B Extension 41.84 Au g/t and for Kapor Au 20.12 g/t to all samples above this value. - All Taiton sector assays for Taiton A deposit within the Au bearing material zone used in the zonal estimation applied a top cut of 23.26 Au g/t, similarly for Taiton B 9.77 Au g/t, Taiton B Extension 33 Au g/t, for Tabai 41.84 Au g/t, for Overhead Tunnel 14.86 Au g/t and for Umbut 20.72 Au g/t to all samples above this value. - All Say Seng sector assays for Bukit Sarin within the Au bearing material zone used in the zonal estimation applied a top cut of 7.00 Au g/t and similarly for Say Seng applied a top cut of 44.60 Au g/t to all samples above this value.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	- All data used for this resource and previous estimates was sourced from Besra/NBG or determined by TMCSA (in the case of previous estimates) from data compiled from the drilling since 2010. An extensive data validation, cross checking and rectification process was undertaken prior to all resource estimation to verify all data and sources to the extent possible, particularly with respect to the historic data. - TMCSA put all data in digital format or input from hardcopy format through an extensive validation process. Errors were checked and rectified where applicable or removed from the database if unverifiable. - Cross-checked data against original forms, documents, logs or field notes; - Checked drill hole and topographic survey data in the field Vs. database value; - Systematically checked all assay, geology, density, survey and collar information; - Used resource software validation tools to detect errors, e.g. sample from/to overlaps; - Visually verified where applicable; - Statistical and other parameters checked. - The visual 3D comparison of composite sample and block grade in cross section and plan deemed the model to



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		be generally considered to spatially reflect the composite grades. - The statistical analysis of the block model for comparison against the composited drill hole data provided the check on the reproduction of the composite data mean grade against the model over the global domain. - Plots by northing, easting and elevation were generated from the model for each domain by averaging both the composites and blocks along northings at 20m intervals for the Ordinary Kriged gold estimate and showed a generally close relationship where sample composite data density was high. - Analysis of grade tonnage distribution - No Mineral Resource reconciliation data is available from historical production operations and could not be verified and could not be applied to deposits that had not been in production at all.
<i>Moisture</i>	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Moisture was not applied in the density determination; tonnes were estimated dry.
<i>Cut-off parameters</i>	The basis of the adopted cut-off grade(s) or quality parameters applied.	- The data incorporated in deposits defined in the 2010 resource was not updated in the interim except to the lower cut-off limit to be discussed below. TMCSA opine that these have not materially changed since the 2010 work and the associated reporting. - The Au bearing material zone grade boundaries (≥ 0.5 Au g/t lower cut-off) were drawn on all cross-sections and the grade boundaries correlated from section to section and cross-checked on plan. The cut-off grade that was applied based on economic parameters supported by the PFS 2013 is 0.5 Au g/t and was assigned to the Mineral Resource estimate. - Datamine's CAE NVP Scheduler was used to perform pit optimisations using the Lersch-Grossman algorithm which defined the cut-off values based on iterations for planned economic extraction to arrive at optimisation shells considering cost parameters and a Au price of \$US1,500 per ounce. - The cost parameters that were derived mostly from NBG/Besra in-house studies and metallurgical test works conducted by SGS Perth and HRL Brisbane, Australia. - The 2010 resource estimates for all deposits and sectors used a cut-off of 0.75 Au g/t, however further pit design and costing, integral to the Pre-feasibility study 2013 showed that the reserve would be potentially less than this value, so in the 2012 resource estimates a 0.5 Au g/t cut-off was universally applied.
<i>Mining factors or assumptions</i>	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects	- Mineralisation's challenging geometry and proximity to surface favours conventional drill and blast open pit over bulk underground mining methods. The faulted and fractured nature of the mineralised zones as well the host rock introduces challenges to underground mining that are less so with open pit mining. - Using the economic models for each mining/process option and applying the ultimate pit parameters, a set of ultimate pits was defined. The ultimate pit parameters used to determine the ultimate pit for Jugan as an



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	for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	example, is shown below: <table border="1"> <thead> <tr> <th><i>Ultimate Pit Parameters</i></th><th><i>Units</i></th><th><i>Flotation</i></th></tr> </thead> <tbody> <tr> <td><i>Discount Rate</i></td><td>%</td><td>8</td></tr> <tr> <td><i>Ore Extraction Rate (Minimum)</i></td><td>tpd</td><td>4,000</td></tr> <tr> <td><i>Ore Extraction Rate (Maximum)</i></td><td>tpd</td><td>12,000</td></tr> <tr> <td><i>Ore Extraction Rate (Increment)</i></td><td>tpd</td><td>2,000</td></tr> <tr> <td><i>Pit Overall Slope Angle</i></td><td>°</td><td></td></tr> <tr> <td><i>Azimuth = 0</i></td><td>°</td><td>43</td></tr> <tr> <td><i>Azimuth = 45</i></td><td>°</td><td>45</td></tr> <tr> <td><i>Azimuth = 120</i></td><td>°</td><td>40</td></tr> <tr> <td><i>Azimuth = 180</i></td><td>°</td><td>45</td></tr> <tr> <td><i>Azimuth = 270</i></td><td>°</td><td>45</td></tr> </tbody> </table> • The parameters for BYG-Krian are the same but with an overall slope angle of 47° • A 24-holes Staggered Drilling Pattern layout achieves the smallest mining unit (SMU) of 10m by 24m using a 3.3m burden by 3.5m spacing providing enough manoeuvring space for a 7m³ shovel matched to 4 or 5, 100t haul trucks. • The assumed mining method would use 2.0 to 2.5m mining lifts to a maximum vertical depth of 300m. • A minimum downhole length of 2m was used in the interpretation of the mineralisation, which equates to 1.5m width. • Mine benches will be typically 15-20m wide and final at 5m. Bench heights will be maximum of 15m with face slopes defined by the RMR model. • The mineralisation domains were assigned 5% mining dilution of non-economic low-grade material into the interpreted domains to maintain continuity. A 5% weight loss of economic grade material in digging has been applied as 95% mining recovery. • Reported Mineral Resources contain no allowances for unplanned dilution, or mining recovery. • The basis for eventual economic extraction was the use of optimised shells using Gemcom/Datamine/CAE Mining software with all-in cost parameters and a base gold price of US\$1,500. • The parameters used to derive the economic model for the base case (8,000 tpd) for Jugan and BYG-Krian are summarized below: <table border="1"> <thead> <tr> <th><i>Economic Model Parameters</i></th><th><i>Units</i></th><th><i>Flotation</i></th></tr> </thead> <tbody> <tr> <td><i>Gold Price</i></td><td><i>\$US/oz</i></td><td><i>\$US 1,500</i></td></tr> <tr> <td><i>Selling Cost</i></td><td><i>\$US/g</i></td><td><i>0.16</i></td></tr> </tbody> </table>	<i>Ultimate Pit Parameters</i>	<i>Units</i>	<i>Flotation</i>	<i>Discount Rate</i>	%	8	<i>Ore Extraction Rate (Minimum)</i>	tpd	4,000	<i>Ore Extraction Rate (Maximum)</i>	tpd	12,000	<i>Ore Extraction Rate (Increment)</i>	tpd	2,000	<i>Pit Overall Slope Angle</i>	°		<i>Azimuth = 0</i>	°	43	<i>Azimuth = 45</i>	°	45	<i>Azimuth = 120</i>	°	40	<i>Azimuth = 180</i>	°	45	<i>Azimuth = 270</i>	°	45	<i>Economic Model Parameters</i>	<i>Units</i>	<i>Flotation</i>	<i>Gold Price</i>	<i>\$US/oz</i>	<i>\$US 1,500</i>	<i>Selling Cost</i>	<i>\$US/g</i>	<i>0.16</i>
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Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	<u>Basis for Assumptions Regarding Metallurgical Amenability</u> - Based on historical metallurgical work, Besra undertook a metallurgical program specifically on the Jugan Au mineralised material. Historical work had focused on flotation Au recovery in a reduced mass, but little work was done on downstream refractory Au extraction processing. - The first phase of the test work was to confirm earlier results for the Albion Vs POX processes with the same flotation concentrate. The flotation concentrate was prepared by SGS Lakefield Oretest in Perth for the POX tests on half of the concentrate while the Albion process used the other half using hrltesting in Brisbane under Core Process Engineering. - The second phase of the test work focused on flotation optimisation on Jugan samples at hrltesting Laboratories. Additional POX optimization work was performed on flotation concentrate bulk sample at SGS Lakefield Oretest. One additional Jugan sample was floated separately at the Maelgwyn laboratories in South Africa to produce concentrate for BIOX amenability testing at SGS South Africa under Goldfields BIOX group (now Biomin). <u>Potential Metallurgical Methods</u> - The location and depth ranges of the Jugan geo-metallurgical drill holes are shown in Section 13, Metallurgical Testing in the Pre-feasibility Study 2013, conducted on composite core samples. - Bulk samples from surface and drill core along strike and depth of the deposits as well as geo-metallurgical holes were used for metallurgical test work at recognised laboratories and NBG/Besra facilities at the BYG site																																							



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		managed by Dr. Erik Devyust, Metallurgist and Technical Services Director, NBG/Besra. - Historical metallurgical test work and studies were done on the Bau Gold Project that focused on the Jugan (and Pejiru) deposit only and compiled in six previous metallurgical reports between 1994 and 1998. - The reports detailing historical metallurgical test work for the Jugan deposits are listed below: - Flotation of Jugan Hill Core Samples, GENCOR Process Research, Report No: 94/13, 16 February 1994; - Metallurgical Testwork Conducted Upon Jugan Composite from Bau Gold Deposit for Project Advisory Services Pty. Ltd., AMMTEC Ltd., Report No: A5517, April 1997; - Recovery of Gold from Bau Drill Core Samples, MIM-HRL Laboratory, Report No: 0616, 15 June 1997; - Bulk Sulphide Flotation Testwork Conducted Upon Samples of Ore from the Bau Gold Deposit for Menzies Gold N.L., AMMTEC Ltd., Report No: A6324, August 1998; - Gravity Concentration of Bau Ore Samples, Lakefield Orestest, Report No: 8793, 23 October 2001; - All work was conducted on composite core samples. Locations and depth ranges of the samples were reported only for the MIM and the GENCOR test work. - In 1994 four east zone Jugan core and fifty-five ¼ core samples (1m interval from 5m to 60m) for a total of 57kg were sent to GENCOR. - In 1997 core samples from two east locations for Jugan were sent to the MIM-HRL laboratory. - For the AMMTEC 1997 test work, 400 kilograms of Jugan composite samples were sent and for bulk flotation work in 1998, 200 kilograms were sent. - In 2001 about 110 kg of Jugan mineralisation samples were used for gravity concentration work at Lakefield Orestest. - The Jugan composite samples were reasonably representative of the deposit based on the assays given in Section 13-Metallurgical Test Work of the Pre-Feasibility Study 2013. The documented samples were taken from the East area of the Jugan deposit from vertical drill cores, but no location variability test work was conducted. <u>Chemical Assay</u> - Chemical assays reported for Jugan showed high As content and relatively high As, Fe, and S levels indicating that a higher mass will be associated with the flotation concentrate in terms of arsenopyrite and pyrite with the Jugan feed. - Mineralogical analysis indicated that the dominant mineral phase in Jugan Au bearing material is arsenopyrite. A significant amount of Au was associated with quartz in the samples. - Jugan assay data from Au bearing zones indicates that there is little variation in mineral distribution other than minor variations in As and Au content. Increases in As and Au coincide evidencing a correlation. - Sulphide S and As assays estimate that the Jugan Au bearing material contains 2 to 2.5 wt% arsenopyrite and



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		4.5 to 5 wt% pyrite with a combined arsenopyrite-pyrite feed of 6.5 to 7.5 wt%. - The mineral assemblage is identical for all the Jugan Au bearing material zones tested. The bulk of the Au bearing material comprise non-sulphide gangue dominated by very fine grained illite (mica) and silica resulting in excessive slimes from fine grinding. <u>Cyanidation Test Work</u> - Diagnostic leach results indicated that the gold occurrence in Jugan was low in free gold based on the low percentage of Au recovered by direct cyanidation typical of arsenopyrite-pyrite refractory ores. - Jugan gold deportment testing, in 2017 showed that very little gold is leached in whole rock cyanidation (0.6 to 2%). About 70% of the gold is associated with the arsenopyrite, 25% with the pyrite and 5% with silica. <u>Gravity Recovery Test Work</u> - The amenability of Jugan Au mineralised samples to gravity concentration was carried out with varying grind sizes (P_{80} 106, 75 and 53 μm) on Flacon and Knelson concentrators and also a Kelsey Jig to compare the response. 100 kg samples were tested from Jugan deposit with a head grade of 3.43 Au g/t. - The Jugan sample demonstrated a positive response to gravity concentration; with gold recovery ranging from 30% up to 36% as the grind was reduced from 106 μm to 53 μm. Further gravity test work was abandoned due to the more favourable results demonstrated by flotation. <u>Flotation Test Work</u> - All the flotation work carried out until most recently was on mineralised material that must be considered as high to very high grade and since recovery and grade have a relationship the results reflect this attribute. - In 1994 Gencor test work was done for Jugan Au recovery into a flotation concentrate. Core samples were used in the tests and detailed information on the intervals sampled, the weight and grade of each interval were provided. - The test work sample head grade was 2.55 g/t Au with 1.24 % As and the program covered grinding and flotation tests. The sample was found friable indicating a plant design with milling residence times low enough to avoid over grinding. - Approximately, 95 % gold recovery to concentrate was reported for rougher flotation. The grades of the cleaner concentrate - 22.8 g/t Au; 24 % S; 10.5 % weight pull; 92.9 % Au recovery and tails - 0.20 g/t Au; 0.29 %S; 7.1 % Au to tails. - In 1998 Ammtec, Perth WA undertook flotation test work for NBG/Menzies, and the referenced flotation test results, used in the Pre-feasibility Study 2013, Section 13-Metallurgical Testing, on Jugan Au mineralised



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		samples are summarised below. - o Feed: 2.36 Au g/t, 8.87 Au g/t in con; 0.26 Au g/t in tails; 91.4% Au rec; Mass pull: 29.8% - o Feed: 2.55 Au g/t; 22.8 Au g/t in con; 0.20 Au g/t in tails: 92.9% Au rec; Mass Pull:10.5%; - o Feed: 2.64 Au g/t; 12.8 Au g/t in con; 0.39 Au g/t in tails: 88.0% Au rec; Mass Pull:18 % • As referenced in the Pre-feasibility Study 2013, the flotation test conditions and reagent schemes varied between the different laboratories. Overall, recoveries were higher for Jugan at 92 %. S and Au extraction kinetics were slow due to the inhibiting effects of slimes. Incremental dosage of flotation reagents will need to be employed with Jugan Au mineralisation types. Desliming and its effects on gold and sulphur extraction kinetics has been recommended. • Detailed flotation tests on refractory gold representative samples were carried out on key parameters. Metallurgical process factors for As, Fe and S in-situ were modelled in 3D for the resource estimate along with the Au. <u>Concentrate Treatment</u> • On site treatment options considered in the test work include further treatment of the concentrate in one of three oxidation processes, Albion, POX or BIOX, detailed in Section 13-Metallurgical Testing in the PFS 2013. • POX delivers the highest Au gold extraction 98% at the lowest cyanide consumption rate. Au extractions for both BIOX and Albion are at around 90 % with higher cyanide consumptions. • Cyanide consumption has a large impact on the operating costs, and in addition the Albion process is an uncommon Au sulphide oxidation process. • The oxidized concentrate would be treated by conventional cyanide leaching, elution, Au electrowinning and Au doré melting. <u>Basis for Predictions Regarding Metallurgical Amenability</u> • The preferred Au metallurgical recovery option is to produce a float concentrate from a crush, grind and flotation process, followed by drying/bagging the concentrate for shipment to off-shore smelters. • The objective is to produce a saleable concentrate free from unmanageable penalties and deduction; a reasonable “Smelter Contract” to be negotiated. The concentrate Au g/t grade is driven by the S, pyrite and arsenopyrite content in the feed. • The Jugan deposit contains a high ratio of As to S, and the production of a high-grade Au concentrate with high mineral purity will contain high arsenic levels resulting in production of a Au concentrate that grades say 20 Au g/t will also contain of the order of 10% arsenic resulting in a low percentage payment for the nominal value of the contained Au. • The reality is that ROM stockpile management to blend styles of mineralisation from different zones and



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		deposits will result in as close to an optimal feed quality as is practical. - Supporting this assumption is that post-Pre-feasibility flotation work indicates that the metallurgical response of other deposits like BYG-Krian, Julia, Taiton, Pejiru, Sirenggok, with estimated flotation recoveries in the range 41 to 94% are closely related to total S and Au associated with the sulphides. The assumption based on this test work is flotation concentrate Au grades for all the samples will be higher than Jugan for equal contained Au gold, despite the lower overall flotation recovery. - A further assumption is that concentrate grades up to 50 Au g/t are estimated for BYG – Bekajang type mineralisation. - Historical and recent metallurgical test work on the Jugan deposit showed that about 95 % the Au is in refractory arsenopyrite and pyrite, the remaining Au in silicious gangue. Au recovery will require pre-concentration through crushing, grinding, desliming and flotation for a high Au grade concentrate. The preferred option of flotation concentrate will be to transport it to a Au smelting or refining facility. - Preliminary trade off cost analysis demonstrated that the sale of concentrate offers the lowest Capital expenditure Operating costs as well as the a favourable return on investment Vs treatment of concentrate on site. <table><tr><th><i>Tonnage Rate</i></th><th><i>8,000TPD</i></th></tr><tr><th><i>Process Methods</i></th><th><i>(US\$)</i></th></tr><tr><td><i>Flotation Concentrate</i></td><td><i>55,759,860</i></td></tr><tr><td><i>Biological Oxidation</i></td><td><i>161,122,700</i></td></tr><tr><td><i>Pressure Oxidation</i></td><td><i>196,828,100</i></td></tr><tr><td><i>Albion Process</i></td><td><i>174,783,800</i></td></tr></table> <u>Flotation Concentrate</u> - Assay data from Jugan mineralised zones indicates there is little difference in mineral distributions, apart from minor variations in As and Au content. Based on sulphide-sulphur and arsenic assays the ore is estimated to contain between 2 and 2.5 wt % arsenopyrite and 4.5 to 5 wt % pyrite with a combined arsenopyrite-pyrite in the feed in the range 6.5 to 7.5 wt %. Therefore the maximum total sulphide upgrading factor is 15.4. - The mineral assemblage is identical for all the Jugan Au mineralised zones within deposit comprising non-sulphide gangue, largely fine grained Illite (mica) and silica which causes excessive slimes after grinding. - Gold deportment tests showed that about 70 % of the Au is associated with the arsenopyrite, 25 % with the	<i>Tonnage Rate</i>	<i>8,000TPD</i>	<i>Process Methods</i>	<i>(US\$)</i>	<i>Flotation Concentrate</i>	<i>55,759,860</i>	<i>Biological Oxidation</i>	<i>161,122,700</i>	<i>Pressure Oxidation</i>	<i>196,828,100</i>	<i>Albion Process</i>	<i>174,783,800</i>
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<i>Albion Process</i>	<i>174,783,800</i>													



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		pyrite and 5 % with silica. - About 95% of the Au can be recovered in rougher/scavenging stages at mass pull between 17 and 33 wt% depending on slime entrainment its effect will be reduced by the desliming circuit. - Without the feed desliming stage, rougher-scavenger followed by cleaner flotation tests shown that 90 % of the Au can be recovered in a mass pull of 10 wt % a Au upgrading ratio of 9:1. Mineralogical composition of a cleaner (deslimed) concentrate showed that the arsenopyrite and pyrite account for 67.4 wt% of the cleaner flotation concentrate. - Based on flotation test work and standard smelter contract terms, the overall Au recovery from flotation concentrate and smelter concentrate recovery is estimated to be 77%. - Preliminary analysis suggests that inclusive of a desliming step, possibly with an alternative cut-off grade, the flotation Au upgrade in the rougher and cleaner circuits produce a potential concentrate grade of up to 30 g/t Au. - In an assessment by Mr. Jim King, metallurgical consultant for NBG/Besra in his 2017 report wrote that based on the metallurgical test work by HRL testing, he could not agree that a concentrate grade of 30 Au g/t could be produced from the Jugan average resource grade of 1.6 Au g/t. The test work showed that the grade of concentrate produced is related to Au grade, and that processing 1.6 Au g/t, would arrive at a cleaned concentrate grade considerably lower than that. - Until further test work which is planned to go forward, substantiates this assessment with a substitute value or range of values for the interpretations of the Pre-feasibility Study 2013, CP, Kevin J. Wright does not propose that the Modifying Factors currently in place should be changed - Mr. Jim King also wrote that the resource estimate done by Snowden and others is considered credible. The test work carried out on Jugan by HRL testing demonstrates that the gold recovery of saleable concentrate will be 90%. - It is understood that additional optimisation metallurgical test work is required to “ground truth” metallurgical estimates that are based on existing and inconclusive results.
<i>Environmental factors or assumptions</i>	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a	- The Bau District has long been involved in mining, directly or indirectly in supplies and services as part of the district legacy since the 1800's. Current and historical land use in the district is limestone quarrying and gold mining, which has occurred at least since the early 19th century. - Evidences of both past and present mining activities can be found throughout the district, as in the exhausted Tai Parit pit and Lake Bekajang, a tailings storage facility. Some limestone quarries for aggregate are currently active. Natural vegetative regrowth is rapid in this tropical environment. - The realisation of past mining practices and lack of enthusiasm to identify and appropriately plan for a rehabilitative mine closure has since prompted an ever increasing awareness and the need to include environmental, social and economic issues into mine development planning.



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	greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	- As such, the mitigation of impact of mining elements which will be addressed are: - Open pit, dry and wet waste material disposal and mine operations Infrastructure as they relate to air, water and soil contamination and disturbance. - The Environmental aspects relating to the above are: - Acid Mine Drainage (AMD) - Landform Stability (Slope stability and Erosional Control) - Land Rehabilitation (Re-vegetation & Conservation) - Dust and Noise - Ecological - No assumptions have been made regarding environmental restrictions. - The location for Waste Rock Landforms, Tailings Storage Facility (TSF), haulage and access roads, power transmission lines, the process plant and auxiliary infrastructure has been identified and appropriately placed and accounted for in section 18-Infrastructure of the Pre-feasibility Study 2013. - A comprehensive Environmental Impact Assessment (EIA) will be required before a mining operating scheme is granted by the Department of Mineral Science and Geology. The assumption is that the EIA and associated Environmental Management Plan (EMP) and Erosion and Sedimentation Plan (ESCP) will be approved without excessive "Conditions Of Approval". - The Jugan prospect, amongst other deposits within the Bau Project, is generally low-lying with very distinct topographic relief such as steep-sided hills formed by limestone escarpments and pinnacles. - These are a mixture of dispersed swampy areas and undulating hills. The typified drainage pattern is best characterized by dendritic system of creeks and riverine directed downstream towards Sungai Sarawak Kanan. - The surrounding steep terrain and high-rainfall eventually causes high rates of runoff into streams creating alternate low suspended sediment carrying loads during base flow conditions developing to considerably elevated loads following heavy rainfall. It can be assumed that indigenous aquatic fauna in these local fluvial environments are resilient and have adapted to frequent and wide variation in streams flows and fluctuation in turbidity. - At Jugan Hill, pre-production work includes removing vegetation; clearing the mining area, the old tailings area; pumping water from the existing ponds and diverting the streams in the immediate pit area; preparing ROM/stockpile sites and establishing permanent haul roads outside of the final pit limits to the ROM/stockpile area and the TSF site as well as ancillary roads. An initial tailings impoundment area will also be constructed. - At Jugan the orebody outcrops and Jugan Hill forms part of the orebody. Once the open pit has reached the hill toe, overburden and waste cutback will start and is planned the TSF containment bund. Excess waste, around 70%, will be placed on the waste disposal landform. - The waste disposal landform will have a post-mining visual impact minimized by integration into the



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		surrounding topography and environment. • Diversion drainage channels will surround the waste disposal landform to regulate runoff to silt, settling ponds. • The certainty of the potential for fresh sulphides associated with excavated material, as plant feed and overburden, as well as and tailings to generate low pH storm water run-off caused by oxidation of the sulphide minerals will call for the implementation of industry best standards to mitigate contamination and associated rehabilitation for Sarawak regulatory compliance. • The use of local limestones to line or act as pH adjusting medium is assumed to be inappropriate because the high pyrite (Fe) content will precipitate and “armour” the limestone surface rapidly rendering its neutralization properties ineffective. Prior to any discharge outside the mining leases. the water flow will be detained in a silt ponds and pH adjusted. • The Jugan and BYG-Krian waste disposal landform will be constructed in bottom-up compacted lifts with 5m catch berms to a projected height of 70m. • All potentially acid producing mine waste (PAF) will be overlain by non-acid producing mine waste (NAF) and encapsulated with clay-lining and covered with topsoil for eventual re-vegetation.
<i>Bulk density</i>	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	• Density determinations were done routinely on drill core with 10 cm cylinders of whole core taken between 10 metres and 20 metres downhole or wherever there was a change in lithology • Records showed that: Jugan-2,085, Bekajang-Krian-5,372, Sirengok-20, Pejrim-264 density determinations made.
	• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	• The water displacement (Archimedes principle) method involved air dried sample weighing, sprayed with polyurethane seal to account for porosity and vuggy textures. The samples were then weighed again in air and again immersed in water. • The density was determined using the standard formula. This has enabled comprehensive density models to be developed for each deposit that NBG had drill tested.
	• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• The Jugan density values ranged from 1.53 to 3.16 t/m³, with a mean of 2.64 t/m³. • Limited density values were found in a few drill holes from the Taiton and Bekajang-Krian deposits. For the 2010 resource definition the average density was determined by formation and applied to the Taiton data. The average was 2.59 t/m³ for Bau Limestone, 2.41 t/m³ for Intrusive, 2.59 t/m³ for Krian Sandstone, 2.37 t/m³ for Pedawan Shale, 1.98 t/m³ for Quaternary deposits and 2.75 t/m³ for Serian Volcanics; with a default of 2.5 t/m³ being applied as required. • Limited, or no density values, were found in a few drill holes from the Bukit Sarin and Say Seng. For the Bukit Sarin resource definition, the average density was determined from the average value of the shales/mudstones/sandstones from the nearby Jugan deposit and is 2.63 t/m³. For Say Seng the average



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		density for limestone (host rock) 2.6 t/m³ was used. Statistical analysis demonstrated that the bulk density is consistent with the rock type and mineralisation of the deposits and is the basis for density assignment.
<i>Classification</i>	The basis for the classification of the Mineral Resources into varying confidence categories.	- Criteria for classification of resource categories was derived from a combination of the geostatistical analysis of grade, hole data and spacing, geological structural and lithological continuity from cross and longitudinal sectional interpretation and drill hole spacing, together with variography and estimation statistics using number of samples, kriging efficiency, and slope regression. - The Mineral Resources that have been assigned resource classifications have considered all known and site specific and relevant technical factors specifically geology/mineralisation control and grade continuity, reliable spatial distribution of input data and overall interpretation. - Geological and Mineral Resource modelling undertaken at Jugan and Sirengkok deposits, as well as the Taiton, Pejiru and Bekajang-Krian sectors, have been classified as Measured, Indicated and Inferred based on the following criteria: - A completed Pre-feasibility Study 2013 has demonstrated that the Jugan and BYG-Krian deposits have the potential for eventual economic extraction. - Enough exploration drill coverage provided quality sampling and assaying data of sufficient precision and accuracy, as well as confidence in domain interpretation to support the resource classifications. - Measured Mineral Resources represents that enough sample assay analysis and density data exist, that further drilling and sampling would not increase the confidence in the quality of the Mineral Resource estimate. - Indicated Mineral Resources represent where the geology continuity has established a confidence level from drill coverage, strong understanding of mineralisation control geology and estimation confidence to support this classification. - Inferred Mineral Resources represent where the geology and grade continuity has been established, but only to the extent that grade continuity is inferred or extrapolated from insufficient drill coverage. - There are mineralised areas that have not been classified in this issue as Mineral Resources on the basis that grade, and geology continuity has not been established and for the purposes of the project are considered as exploration potential.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	- The Au mineralised areas of the deposits that show the most confidence in continuity of mineralisation (metal values) and structure and drill hole coverage in these zones is 25m by 25m, considered to sampled to the extent as to give confidence in geological interpretation for Mineral Resource estimation. Compared to the zones where the drill coverage is 50m and above, the confidence is less and is usually reflected in a lower tier category assigned. - The geological interpretation was supported by geological mapping, channel sampling, and drill hole logging,



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		and mineralogical analysis on a sufficient coverage of the drilling programmes completed over the years.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	- The classification considered and applied all appropriate and available data along with estimate quality. - From the perspective of the Competent Person, the mineral resource classification identified in the Pre-feasibility Study 2013 geologic model; adequately represents the geologic and mineralisation attributes of the deposits documented therein.
<i>Audits or reviews</i>	The results of any audits or reviews of Mineral Resource estimates.	- Some historic estimates were prepared pre-NI 43-101 and TMCSA neither audited nor made any attempt to classify them according to NI 43-101 standards. - More recent resource estimates compiled to relevant AusIMM JORC Code at that time are presented because of their relevance and historic significance. - Snowden Mining Industry Consultants in 1997 estimated an Indicated Resource (JORC 1996) of 7.74 million tonnes at 1.68 Au g/t using Indicator Kriging, based on a cut-off of 1.0 Au g/t and the 97.5 percentile mean value for each Au bearing material zone was applied as a top cut averaging 5.29 Au g/t (range of 4.51 to 6.82 Au g/t) for all zones. - Information Geoscience upgraded (JORC 2004) the Snowden Resource Estimate in 2007 defining an Indicated Resource (JORC 2004) of 4.33 million tonnes at 2.04 Au g/t, using Indicator Kriging at 1.5 Au g/t cut-off. - Ashby & Associates in 2008 defined an Indicated Resource (JORC 2004) of 9.23 million tonnes at 1.66 Au g/t and an Inferred Resource (JORC 2004) of 2.5 million tonnes at 2.20 Au g/t Au, at 1.0 Au g/t cut-off. - Terra Mining Consultants/Stevens & Associates in 2010 defined an Indicated Resource of 10.96 million tonnes at 1.63 Au g/t, at 0.75 Au g/t cut-off. - In 2012 Besra's internal update defined a Measured Resource of 3.43 million tonnes at 1.44 Au g/t, an Indicated Resource of 10.26 million tonnes at 1.52 Au g/t, and an Inferred Resource of 0.507 million tonnes at 1.0 Au g/t, at 0.5 Au g/t cut-off. - In 2012 NBG/Besra conducted metallurgical test work in-house and in outsourced laboratories, specifically on Jugan Au mineralisation. A summary of the historical test work overseen by Dr. Erik Devyust, Metallurgist and Technical Services Director, NBG/Besra was discussed and reviewed by CP, Kevin J. Wright.
<i>Discussion of relative accuracy/confidence</i>	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy	- The relative accuracy and confidence level of the Mineral Resource used the approach of applying qualitative criteria and the slope of regression to the estimate considered an industry best practice and appropriate. - In addition, to quantify the confidence level limits, a conditional assessment was applied to the Mineral Resource estimate. - The reported Mineral Resource is a combination of Measured, Indicated and Inferred estimates depicting the spacing and confidence level of the grade and mineralisation. - There is a high level of confidence in post-2010 drill hole sample data and a medium level of confidence in the



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	of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	geological continuity. The is a medium to low confidence level in pre-2010 drill hole sampling and geological continuity respectively. - The variography provided evidence of sufficient spatial correlation in Au grade which flows through to confidence in the interpretation of block estimates. - Statistics were calculated for gold, density and sample length fields in the drill hole database within the defined mineralized zones. Tables in the Mineral Resource, section 14 of the Pre-feasibility Study 2013, show drill hole sample statistics lists within the mineralised envelope. - Composite drill hole sample statistics within the mineralised zone took composites set at 1m as this was the predominant sample length and close to the average sample length. - Quantile analysis was run for Au at ten primary percentiles (10% ranges) with four secondary percentiles (2.5% ranges) for the last primary percentile. - The primary percentiles determined that approx. 39% of the metal percentage can be found in the top 10% range (top 830 samples), and that there is a significant jump in the mean grade and metal content from the previous range. The secondary percentiles indicate that the Au metal content changes abruptly at the 97.5 percentile and contains nearly 17% of the Au metal content. - Review of log, cumulative log histograms and the quantile analysis suggested top cut (mean of the 97.5 percentile) should be applied to the samples above this value to remove any effect of the high-grade samples in the estimation. - Geostatistical analysis and modelling were done on the geo-metallurgical elements As, Fe and S. The results were mixed and inconclusive in some instances. The variograms that could be generated, particularly for As did show similar directions as for Au though the ranges appeared to be slightly shorter. Downhole Semi-Variogram for As and Dip/Dip Direction Semi-Variogram for AS demonstrated the similarities with the Au variograms. - Both checks for Inverse Distance Squared and Nearest Neighbour comparative resource estimates were set at 0.25 Au g/t Increments. The comparative resource estimate results compared well with the Ordinary Kriging resource estimate and the minor differences probably reflect the interpolation techniques/application.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	- The area defined by the Measured Mineral Resource is considered a local estimate. - Those areas defined by Indicated and Inferred Mineral Resources are considered global estimates only. - The local estimate is based on using the daily production level of 8,000 tpd based on the anticipated production of treatment rate for the Project in the PFS 2013.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where	No substantial production metrics from historic operations were available, and probably unreliable as they could not be validated.



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	available.	

Corporate Directory

Directors	Andrew Worland – Non-Executive Chairman Jon Morda – Non-Executive Director John Seton – Executive Director	Mark Eaton – Non-Executive Director Paul Ingram – Non-Executive Director Robert Dunne – Proposed Director
Company secretary	Eryn Kestel	
Registered office	45 Ventnor Avenue West Perth, WA 6005	
In-country principal office	North Borneo Gold Sdn Bhd 19 Jalan Taiton, Bau 94000, Sarawak, Malaysia T: +60 82 762 884/5/6	
Proposed ASX code	BEZ	
Website	www.besra.com	
Share registry*	Australia Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000, Australia T: (within Australia) 1300 850 505 (international) +61 3 9415 4000	Canada Computershare Investor Services Inc. 100 University Avenue, 8 th Floor Toronto, Ontario, Canada M5J 2Y1 T: +1 800 564 6253
Auditor*	Grant Thornton New Zealand Audit Partnership Limited L15 Grant Thornton House, 215 Lambton Quay PO Box 10712 Wellington 6143 New Zealand T: +64 (0)4 474 8500	
Australian legal advisors	Gilbert + Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace, Perth WA 6000, Australia	
Investigating accountant	Grant Thornton Corporate Finance Pty Ltd Level 17, 383 Kent Street, Sydney, NSW 2000, Australia T: +61 (0)2 8297 2400	
Lead manager	Canaccord Genuity (Australia) Limited Level 23, The Exchange Tower 2 The Esplanade, Perth WA 6000, Australia T: +61 3 8688 9100	
<i>* This party is named for information purposes only and has not been involved in the preparation of this prospectus.</i>		