

FILINGS' NOTIFICATION

Besra Gold Inc ("Besra" or "the Company", ASX: BEZ) advises that in compliance with its Canadian filing obligations it has lodged its Condensed Interim Consolidated Financial Statements, for the 3 and 6 Months ended 31 December, together with Management's Discussion and Analysis ("MD & A") Report for the corresponding period.

Copies of these documents are attached, for convenience, and may also be accessed via Besra Gold Inc's Company Announcements on the SEDAR platform at <https://www.sedar.com>

This announcement was authorised for release by the Board of Besra Gold Inc.

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Besra (Accipiter virgatus), also called the besra sparrowhawk, occurs throughout southern and eastern Asia. It is a medium sized raptor with short broad wings and a long tail making it very adept at manoeuvring within its environment and an efficient predator.


BESRA GOLD INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED 31 DECEMBER 2021

(In United States dollars)

(Unaudited)

NOTICE TO THE READER

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements have not been reviewed by the Company's auditors.



BESRA GOLD INC.

Condensed Interim Consolidated Statement of Financial Position

in USD	Notes	As at 31 December 2021	As at 30 June 2021
ASSETS			
<i>Current</i>			
Cash and cash equivalents		3,468,863	11,146
Tax and other receivables		9,988	25,511
Prepaid expenses		3	7,486
		3,478,854	44,143
<i>Non-current</i>			
Property plant and equipment		7,035	14,235
Exploration & evaluation	4	17,842,848	17,506,422
		17,849,883	17,520,657
TOTAL ASSETS		21,328,737	17,564,800
LIABILITIES			
<i>Current</i>			
Trade and other payables	5	947,518	5,538,254
Derivative liability	7	-	21,778,785
Loans and borrowings	6	243,628	4,793,593
		1,191,146	32,110,632
<i>Non-current</i>			
Loans and borrowings	6	114,619	251,592
TOTAL LIABILITIES		1,305,765	32,362,224
EQUITY			
Issued capital	9	182,816,338	141,517,358
Reserves	10	2,707,000	-
Deficit		(164,637,525)	(154,874,482)
		20,885,813	(13,357,124)
Non-controlling interest		(862,841)	(1,440,300)
TOTAL EQUITY		20,022,972	(14,797,424)
TOTAL LIABILITIES AND EQUITY		21,328,737	17,564,800

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Profit (Loss) and Comprehensive Profit (Loss)

in USD	Note	Three Months to 31 December		Six Months to 31 December	
		2021	2020	2021	2020
Revenue		-	-	-	-
Corporate and administrative expense		(604,214)	(850,516)	(943,888)	(1,584,571)
Creditor settlements	5	(320,589)	-	2,738,130	-
Exploration expense		156,090	196,630	103,381	113,922
Depreciation and amortization		(3,600)	(3,600)	(7,200)	(11,017)
Finance charges	11	(291,164)	(26,831)	425,241	(110,882)
Derivative fair value revaluation		-	(574,032)	593,230	(727,847)
Fair value loss on settlement of loans	6	(4,609,328)	-	(4,609,328)	-
Share based payments	10	(2,707,000)	-	(2,707,000)	-
PROFIT (LOSS) BEFORE INCOME TAX		(8,379,845)	(1,258,349)	(4,407,434)	(2,320,395)
Income tax (recovery)	8	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD		(8,379,845)	(1,258,349)	(4,407,434)	(2,320,395)
COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD		(8,379,845)	(1,258,349)	(4,407,434)	(2,320,395)
Comprehensive income (loss) for the period attributable to:					
Shareholders of the parent		(8,390,800)	(1,277,304)	(4,414,691)	(2,335,137)
Non-controlling interests		10,955	18,955	7,257	14,742
Basic and diluted (loss) per share	12	(0.028)	(0.146)	(0.015)	(0.266)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Cash Flows

in USD	Notes	Six Months Ended 31 December 2021	Six Months Ended 31 December 2020
OPERATING ACTIVITIES			
Comprehensive Profit (loss) for the period		(4,407,434)	(2,320,395)
<i>Items not affecting Cash</i>			
Creditor settlements	5	(2,738,130)	-
Depreciation & amortization		7,200	11,017
Fair value loss on settlement of loans	6	4,609,328	-
Finances costs (recovered) charged		(869,676)	(37,372)
Forex adjustments		(75,293)	170,803
Derivative revaluation	13	(593,230)	727,847
Share based payments	10	2,707,000	-
<i>Changes in non-cash working capital balances</i>			
Trade and other receivables and other financial assets		23,005	(9,488)
Trade and other payables		(1,515,610)	310,321
Cash used in operating activities		(2,852,840)	(1,147,267)
INVESTING ACTIVITIES			
Exploration and evaluation costs	4	(336,426)	-
Cash used in investing activities		(336,426)	-
FINANCING ACTIVITIES			
Proceeds from share capital	9	7,383,122	-
Proceeds from financing loan	13	398,948	1,345,756
Repayment of loans	13	(1,176,396)	(192,203)
Cash provided by financing activities		6,605,674	1,153,553
Increase in cash during the period		3,416,408	6,286
Cash - beginning of the period		11,146	31,260
Effect of exchange rate on cash		41,309 -	1,1300
Cash - end of the period		3,468,863	38,675

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Changes in Equity

in USD	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2021	141,517,358	-	(154,874,482)	(1,440,300)	(14,797,424)
Adjustment to Opening balance	-	-	123,460	(123,460)	-
Adjustment for change in Minority Interest			(693,662)	693,662	-
Adjusted balance	141,517,358	-	(155,444,684)	(870,098)	(14,797,424)
Contributions from owners					
Issue of share capital	41,879,559	-	-	-	41,879,559
Share issue costs	(580,579)	-	-	-	(580,579)
Total contributions from owners	182,816,338	-	(155,444,684)	(870,098)	27,156,705
Share based payments	-	2,707,000	-	-	2,707,000
Cost of shares in NCI	-	-	(4,778,150)	-	(4,778,150)
Comprehensive profit (loss)	-	-	(4,414,691)	7,257	(4,407,434)
Balance at 31 December 2021	182,816,338	2,707,000	(164,637,525)	(862,841)	20,022,972
Balance at 1 July 2020	141,517,358	(20,563,257)	(121,011,748)	(1,425,108)	(1,482,755)
Comprehensive profit (loss)	-	-	(2,335,137)	14,742	(2,320,395)
Balance at 31 December 2020	141,517,358	(20,563,257)	(123,346,885)	(1,410,366)	(3,803,150)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BESRA GOLD INC.

Notes to the Condensed Interim Consolidated Statements

1. Background and Nature of Business

During the financial years ended 30 June 2020 and 2021 and for the period ended 31 December 2021, the business of Besra Gold Inc. and subsidiaries ("Besra" or "Company") consisted of interests in mining tenements and applications within the Malaysian State of Sarawak and principally the Bau Gold Project ("Bau"). Besra is in a consortium with a Malaysian Group with Bumiputra interests that own the rights to consolidated mining tenements covering much of the historic Bau goldfield.

The 31 December 2021 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc.

2. General Information & Statement of Compliance

Besra Gold Inc is the ultimate parent company, and it is a limited liability company incorporated in Canada. Its registered office is 67 Yonge St, Suite 701, Toronto, Ontario, Canada and principal place of business for the period is located at 45 Ventnor Avenue, West Perth, WA, 6005, Australia.

These interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the Consolidated financial statements for the year ended 30 June 2021 and any public announcements made during the interim reporting period.

New standards adopted at 1 July 2021

There were no new Standards or pronouncements which have a significant impact on the Group's financial results or position.

3. Basis of Preparation & Significant Accounting Policies

Basis of Preparation

The interim consolidated financial statements of Besra have been prepared on an accrual basis and are based on historical costs, except for derivative 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 Besra Gold Inc. and its subsidiaries and are rounded to the nearest dollar unless otherwise stated.

Going Concern

These interim consolidated financial statements for the period to 31 December 2021 have been prepared on a going concern basis which assumes that the Company and the entities it controls will be able to realize its assets and discharge its liabilities in the normal course of business.

The adoption of the going concern basis is primarily based on the Company completing its initial public offering ("IPO") and listing ("Listing") on the on the Australian Securities Exchange ("ASX") and contingent on certain transactions taking place as discussed below.

The Company received Conditional Admission from the ASX on 24 September 2021 ("Conditional Admission"), was admitted to the Official List of the ASX on 6 October 2021, and its securities quoted and commenced trading on 8 October 2021.

The IPO raised A\$10.043M. Following Conditional Admission, the Company issued Chess Depository Instruments (“CDIs”) on 29 September 2021 to restructure the debts of the companies as disclosed in notes 5, 6 and 7.

During the six-month period ended 31 December 2021, the Group made a loss of \$4,407,434 (2020: loss of \$2,320,395), including a Fair value loss on settlement of loans of \$4,609,328 and Share-based payments of \$2,707,000 both of which are non-cash expenses.

On 31 December 2021, the Group’s current assets exceeded its current liabilities by \$2,287,707 (on 30 June 2021: current liabilities exceeded current assets by \$32,066,489). Cash and cash equivalents on hand at 31 December 2021 was \$3,468,863 (30 June 2021: \$11,146).

Cash on hand at balance date will be applied to exploration and pre-development activities at Bau and for general working capital. Based on forecasted cash flows the Group has sufficient cash on hand to pay for the estimated expenditure and liabilities for the period to 12 months from the date of these financial statements.

As a result, Management and the Directors conclude that the Company is a going concern.

Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of Besra Gold Inc. (‘the Company’) and the material entities (“Subsidiaries”) it controls (collectively “Group”) as listed below:

Company Name	Jurisdiction	Ownership % 31 Dec 2021	Ownership % 30 Jun 2021
Besra NZ Limited (formerly OYM NZ Limited)	New Zealand	100.0	100.0
Bau Mining Co Ltd	Samoa	91.0	91.0
North Borneo Gold Sdn Bhd (“NBG”)	Malaysia	97.8	92.3
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited)	Malaysia	100.0	100.0

During the six months period ended 31 December 2021, the Company increased its interest in NBG to 97.8% - refer note 4.

Significant Accounting Policies

The accounting policies adopted by the Company as set out in the audited consolidated financial statements for the years ended 30 June 2021 and 2020 have been applied consistently to all periods presented in these interim consolidated financial statements. No additional significant accounting policies have been adopted in the current period.

Significant Judgements, Estimates & Assumptions

The preparation of these 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:

Judgements:

- 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.
- The convertible notes (refer note 6) 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.

Estimates:

- Assessment of whether exploration and evaluation 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 and pre-development phase of operations the directors have used the fair value less costs to sell method 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 2 in the fair value hierarchy.
The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset. (Refer to Note 4)
- Fair value determination of financial instruments carried at fair value. Derivative liabilities 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.

For the year ended 30 June 2021 liabilities were valued using an income approach to calculate the fair value which prorates 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 (Refer to Note 7).

On 29 September 2021 the Derivative liabilities were converted into equity by the issue of CDIs.

4. Exploration & Evaluation

in USD	6 Months Ended 31 December 2021	Year Ended 30 June 2021
Opening Balance	17,506,422	17,506,422
Additions	336,426	-
Closing Balance	17,842,848	17,506,422
Cost	51,112,848	50,776,422
Accumulated impairment	(33,270,000)	(33,270,000)
Closing Balance	17,842,848	17,506,422

The Company's sole asset, Bau, (refer above), consists of mining and exploration tenements within the Bau Goldfield. Besra's 100% owned subsidiary Besra Labuan acquired its interest in NBG, which owns rights to the mining tenements covering the area of Bau. The Company acquired its interest in Bau in accordance with the agreement for the sale of shares in NBG between Gladioli, Besra Labuan and Mr. Ling Lee Soon (guarantor of Gladioli) dated 1 October 2010, as amended and restated on 12 May 2013 and 17 November 2016 ("SPSA").

Under the terms of the SPSA Besra was required to pay a further \$7.6 million consideration to Gladioli to acquire the remaining shares in NBG. In March 2021, in consideration of the issue to Gladioli of 12.5 million Besra CDIs issued at A\$0.20 per CDI upon completion of the Listing, Gladioli, Besra and Besra Labuan agreed to a further amendment of the SPSA and to release Besra and Besra Labuan of their obligations to complete the purchase of the remaining shares in NBG ("SPSA Variation"). Pangaea agreed to acquire 16,221 shares in NBG for cash consideration of A\$4.0 million and Besra agreed to acquire 14,419 shares in NBG from Pangaea by issuing 20.0 million CDIs to Pangaea at A\$0.20 per CDI upon completion of the Listing.

Pangaea acquired the 14,419 NBG shares on 7 July 2021. Upon the issue of the 12.5 million and 20 million CDIs to Gladioli and Pangaea respectively, Besra's interests in NBG increased to 97.8% and its equity-adjusted interest increased to 92.8%.

At 31 December 2021, after taking account of the above, there were no significant change to facts and circumstances to suggest an impairment to the carrying value of Bau was necessary.

5. Trade & Other Payables

in USD	As at 31 December 2021	As at 30 June 2021
Trade payables	861,493	1,338,243
Taxes and government fees	14,348	12,934
Accruals and other payables	71,678	4,187,077
Total	947,519	5,538,254

Upon Admission to the ASX on 8 October 2021 \$2.74m of Trade and Other Payables at 30 June 2021 were forgiven pursuant to the terms of various settlement agreements between the Company and creditors and 532,457 CDIs were issued in satisfaction of a further \$1.74m of Trade and Other Payables.

6. Loans and Borrowings

in USD	As at 31 December 2021	As at 30 June 2021
Current Liabilities		
Secured Bridge Notes	-	2,365,434
Other current indebtedness (unsecured)	243,628	2,428,159
	243,628	4,793,593
Non-current Liabilities		
Other current indebtedness (unsecured)	114,619	251,592
Total	358,247	5,045,185

Secured Bridge Notes

The Secured Bridge Notes converted into CDIs upon Conditional Admission in full satisfaction of amounts outstanding under the Secured Bridge Notes. This resulted in a fair value loss on settlement of \$3,545,253.

Other current and non-current indebtedness (unsecured)

Included in other current indebtedness (unsecured) are the following various financing arrangements entered into by the Company to meet its working capital needs.

- Clients of Novus Capital have provided unsecured advances totalling approximately \$986,197 (2020: \$927,265) to the Company for working capital purposes ('Novus Advances'). The Novus Advances were converted to CDIs upon Conditional Admission in full satisfaction of all amounts outstanding under the Novus Advances. This resulted in a fair value loss on settlement of \$1,064,075.
- The Incor Services Loan was a fixed interest loan agreement of C\$300,000, unsecured, with an interest rate of 12% per annum, payable at maturity. The balance owing, including accrued interest, as at 30 September 2021 was C\$298,225 and was repaid from the proceeds from the IPO.
- Other short-term financing obtained both from related entities and third parties prior to the Listing totalling \$603,334 (2020: \$nil) were arranged prior to 30 September 2021 are on terms similar to those under the Incor Services Loan. The balance outstanding was repaid from the proceeds of the IPO.
- North Borneo Gold Debt Notes carried at \$441,842 (2020: \$425,639), were settled in full by applying A\$286,090 from the proceeds of the IPO.
- The Company has entered into two settlement agreements with historic suppliers who have provided drilling and assaying services for the Bau Gold Project to repay amounts due totalling \$703,611 on a deferred payment schedule through to 2023.

7. Derivative Liabilities

in USD	As at 31 December 2021	As at 30 June 2021
Current Asset		
Convertible Note (secured)	-	1,981,356
Exit financing Note (secured)	-	9,905,972
Creditor convertible notes (unsecured)	-	9,891,457
Total	-	21,778,785

Derivative Liabilities were satisfied in full by the issue of 153,786,966 CDIs on 29 September 2021 which extinguished all obligations owed by the Company under those financing arrangements.

For the years ended 30 June 2021 and 2020 the derivative 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.

The main inputs into the valuation as at 30 June 2021 were:

- the security held by the noteholders;
- the expected proceeds from an IPO of approximately \$5.6 - \$7.0 m; and
- using a discount rate between 25% to 30%.

The sensitivity analysis based on the expected proceeds of \$7 million with a variance in the discount rate of +/- 5% results in a value range of +/- \$350,000.

8. Income Tax

Unrecognized Tax Losses/Unrecognised Deductible Temporary Differences

The Group has unrecognized deferred tax assets in relation to tax losses that are available to carry forward against future taxable income of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in entities for which it is not probable that there will be taxable profits in the future. Tax losses available in Canada are \$66,667,202 and will variously expire twenty years after the year in which the respective loss was incurred.

9. Issued Capital

Common Shares and CDIs

The Company is authorised to issue an unlimited number of common shares with one vote per share and no-par value per share. The company has also issued CDIs as part of the listing on the ASX. Each CDI is the equivalent of 1 Common Share.

in USD	Number of Common Shares and CDIs	Amount
Balance 30 June 2021	4,818,622	141,517,358
Issue of CDIs to holders of Derivative Liabilities	153,786,966	22,609,800
Issue of CDIs to Bridge Notes and Novus Advances holders	52,274,000	7,030,205
Issue of CDIs to trade creditors	532,457	78,282
Issue of CDIs in accordance with the SPSA (refer note 4)	32,500,000	4,778,150
Issue of CDIs to IPO investors	50,218,484	7,383,122
Issue costs	-	(580,579)
Balance 31 December 2021 of Shares and CDIs	294,130,529	182,816,338

10. Share based payments

The Company issued Options and Performance Rights on listing on the ASX. They lapse if not exercised within the expiry date.

The Broker Options have an expiry date 4 years after issue and an exercise price of \$A0.25. The Class B Incentive Options have an expiry date 5 years after the issue date and an exercise price of \$A0.30. One-third of the Options vest on grant, one-third in 12 months and one-third in 24 months. The Bonus Options have an expiry date 4 years after issue and an exercise price of \$A0.25. The Performance Rights have a \$nil exercise price but are only exercisable if certain resource targets are met within 2 years for the Class A and 3 years for the Class B Rights.

in AUD	31 December 2021		30 June 2021	
	Exercise Price	Number	Exercise Price	Number
Broker options	\$A0.25	17,062,609	-	-
Class A Incentive options	\$A0.30	3,625,000	-	-
Class B Incentive options	\$A0.30	3,625,000	-	-
Bonus options	\$A0.25	2,500,000	-	-
Class A Performance Rights	nil	2,600,000	-	-

Class B Performance Rights	nil	2,600,000	-	-
Total Outstanding	\$A0.21	33,062,609	-	-

Share Based Payments Reserve

in USD	As at 31 December 2021	As at 30 June 2021
Balance as at 1 July 2021	-	-
Share options	1,881,664	-
Performance rights	825,336	-
Balance as at 31 December 2021	2,707,000	-

The fair value of the Share Options are measured using the Black Scholes model. The value of the options and performance rights are based on a number of judgements and estimates including the share price, the timing of the exercise of the options and performance rights and that no dividends will be paid prior to their exercise.

The Class A and Class B Performance Rights entitle the holder to subscribe to one CDI of the Company upon exercise of a performance right, without any further payment. The Company measures the Class A and Class B Performance Rights at fair value. As of the measurement date, the Company classified the Performance Rights within Level 2 of the fair value hierarchy because there was no active quoted price for Besra's CDIs. The seven-day volume weighted average price upon listing was used as a reasonable estimate for the value of Besra's CDIs as of the measurement date.

11. Finance costs recovered (charged)

in USD	Three Months to 31 December		Six Months to 31 December	
	2021	2020	2021	2020
Interest on borrowings and notes recovered (charged)	12,878	118,343	888,021	34,372
Borrowing (costs)	(304,042)	(145,254)	(462,780)	(145,254)
Total finance charges	(291,164)	26,831	425,241	110,882

The recovery of Interest on borrowings arises from accruals made to 30 June 2021 on certain term debt instruments which were reversed on the conversion of liabilities to CDIs at 29 September 2021.

12. (Loss) Per Share

in USD	Three Months to 31 December		Six Months to 31 December	
	2021	2020	2021	2020
Basic (loss) per share attributable to Equity Owners:				
(Loss) for the period	(8,390,800)	(1,277,304)	(4,414,691)	(2,335,137)
Weighted average number of common shares outstanding	294,130,529	8,764,707	294,130,529	8,764,707
Basic (loss) per share	(0.028)	(0.146)	(0.015)	(0.266)

Basic profit (loss) per share is calculated by dividing the profit (loss) for each reporting period attributable to the equity owners of Besra by the weighted average number of common shares outstanding for the period.

Diluted earnings per share is based on basic earnings per share adjusted for the potential dilution if shares held in escrow are transferred and warrants are exercised. For a loss, the increase in the number of shares from conversion of convertible debt is anti-dilutive as they would decrease the loss per share attributable to equity owners.

13. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Period ended 31 December 2021.

in USD	Loans and Borrowings	Derivatives	Total
Opening balances	5,045,185	21,778,785	26,823,970
Cash flows			
Proceeds	398,948	-	398,948
Repayments	(1,176,396)	-	(1,176,396)
Non-cash			
Deferred creditor arrangements	(584,953)	1,424,245	839,292
Accrued interest	(869,676)	-	(869,676)
Forex adjustment	(33,984)	-	(33,984)
Adjustment to Fair value	-	(593,230)	(593,230)
Conversion to Shares	(2,420,877)	(22,609,800)	(25,030,677)
Balance 31 December 2021	358,247	-	358,247

Year ended 30 June 2021

in USD	Loans and Borrowings	Derivatives	Total
Opening balances	2,015,066	11,456,461	13,471,527
Cash flows			
Proceeds	2,430,761	-	2,430,761
Repayments	(50,000)	-	(50,000)
Non-cash			
Accrued interest	535,848	-	535,848
Forex adjustment	113,510	-	113,510
Adjustment to Fair value	-	10,322,324	10,322,324
Balance 30 June 2021	5,045,185	21,778,785	26,823,970

14. Related Party Disclosure

The following Related Party transactions are recognized in the interim consolidated financial statements of the Group:

Key Management

in USD	Three Months to 31 December		Six Months to 31 December	
	2021	2020	2021	2020
Management fees and salary expense	178,319	203,125	278,069	278,125
Amount payable	-	1,218,487	-	1,218,487

15. Commitments, Contingencies and Contractual Obligations

Commitments and Contractual Obligations

Pursuant to the terms of the SPSA Variation NGB entered into a Consultancy Agreement with Bukit Young Goldmine Sdn Bhd, ("Contractor") a member of the Gladioli group to provide to consultancy services to the Group.

A fee of \$A250,000 per annum, will be paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term of the agreement. The agreement may be extended on terms mutually agreed between the parties.

16. Financial Instruments & Risk Management

Risk Management

The Group's activities expose it to a variety of risks:

- liquidity risk;
- commodity price risk;
- foreign exchange risk;
- credit risk; and
- interest rate risk.

The risks listed arise from exposures that occur in the normal course of business and are managed by the Officers of the Company. Material risks are monitored and discussed with the Audit Committee of the Board of Directors.

Liquidity Risk

Liquidity risk arises through excess financial obligations over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves to meet its liquidity requirements at any point in time.

The tables below summarize the maturity profile of the Group's derivatives and financial liabilities including estimated interest.

As at 31 December 2021:

in USD	Within 1 Year	1-5 Years
Loans and other borrowings	243,628	114,619
Trade and other payables	947,518	-
Financial derivatives	1,191,146	114,619
	-	-
Total	1,191,146	114,619

As at 30 June 2021:

in USD	Within 1 Year	1-5 Years
Loans and other borrowings	4,793,593	251,592
Trade and other payables	5,538,254	-
Financial derivatives	10,331,847	251,592
	21,778,785	-
Total	32,110,632	251,592

Commodity Price Risk

The performance of the Group is partially related to the market commodity price of gold.

In assessing the carrying values of the assets and liabilities, the effect of changes in the commodity price for gold was considered, where applicable, and reflected accordingly in the balances shown in the Consolidated Statement of Financial Position of the Group.

The Group does not have current operations producing gold, and therefore does not actively engage in any hedging of Commodity Price Risk.

Foreign Exchange Risk

The Group operates in Canada, Malaysia, Australia and to limited extent in New Zealand.

The functional and reporting currency of the parent company is the US dollar. The functional currency of significant subsidiaries is also US dollars. The subsidiaries transact in a variety of currencies but primarily in the US dollar, Canadian dollar, New Zealand dollar and Malaysian ringgit.

The most significant transaction exposure arises in the ultimate parent Company in Canada.

The statement of financial position of the Group includes US and Canadian dollar cash and cash equivalents and convertible notes in Canadian dollars. The Group is required to revalue the US dollar equivalent of the Canadian dollar cash and cash equivalents and liability at each period end.

Foreign exchange gains and losses from these revaluations are recorded in the Consolidated Statement of Profit and Comprehensive Income.

At present, the Group does not hedge foreign currency transaction or translation exposures, but the Board will consider this when appropriate.

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the cash and receivables. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

No financial assets of the Group are considered past due or impaired.

Interest rate risk

The Group holds convertible note liabilities which attract fixed rate interest. There is no further risk of the interest rate increasing for these convertible notes as the rates are fixed. There is no sensitivity to interest rates.

Financial Instruments

The fair value of interest-bearing loans and convertible notes approximated the carrying value at 31 December 2021 and 30 June 2021 due to market rates of interest and the consistency of credit spread. All other fair values of financial instruments except for derivatives approximate their carrying values due to their short-term nature.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

in USD	At amortised cost	Liabilities at FVTPL	Total Carrying Value
Assets			
Cash and Restricted cash	3,468,863	-	3,468,863

Tax and other receivables	9,988	-	9,988
Balance 31 December 2021	3,478,851	-	3,478,851
Liabilities			
Payables and accruals	(947,518)	-	(941,139)
Loans and borrowings	(358,247)	-	(358,247)
Balance 31 December 2021	(1,305,765)	-	(1,299,386)

in USD	At amortised cost	Liabilities at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	11,146	-	11,146
Tax and other receivables	23,992	-	23,992
Balance 30 June 2021	35,138	-	35,138
Liabilities			
Payables and accruals	(5,538,254)	-	(5,538,254)
Loans and borrowings	(5,044,885)	-	(5,044,885)
Derivative liabilities	-	(21,778,785)	(21,778,785)
Balance 30 June 2021	(10,583,139)	(21,778,785)	(32,361,924)

17. Segment Reporting

The operations of Besra consist of one business unit, a sole gold exploration and development project in Malaysia with no current revenue and therefore Management has deemed there to be only one reportable segment as disclosed for the periods reported. As such no additional segment reporting disclosures have been made.

18. Events After the Reporting Date

There have been no other significant events after the reporting date, save for the following announcements released to the Australian Securities Exchange:

- 31/01/2022 – “Quarterly Activities Report including Appendix 5B for December 2021 Quarter”;
- 17/02/2022 - “Outstanding First Gold Assays for drilling at Bau Project”.

There have been no other significant events after the reporting date.



MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the 6 months ended 31 December 2021

MD&A

The following MD&A provides a narrative from Management's perspective of how Besra Gold Inc ("Group" or "Besra") has performed over the six months ending 31 December 2021 of the 2022 financial year, including its financial condition and its future prospects. This MD&A has been prepared by Management in compliance with the requirements of section 2.2.1 "Quarterly Highlights" of Form 51-102F1, is current as at 31 December 2021 and has been approved on 1 March 2022 by the Audit Committee (and Board of Directors) of the Company.

This MD&A both supplements and complements the Group's Condensed Interim Consolidated Financial Statements for the 6 months ending 31 December 2021. All amounts quoted are denominated in USD unless otherwise stated.

Forward Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements").

All statements, other than statements of historical fact, which address activities, events, or developments that the Group believes, expects or anticipates will or may occur in the future are forward-looking statements.

Forward-looking statements contained in this MD&A include, but are not limited to, statements with respect to anticipated developments in the Group's continuing and future operations, the adequacy of the Group's financial resources and financial projections; statements concerning, or the assumptions related to, the estimation of mineral resources, methodologies and models used to prepare resource estimates; the conversion of mineral properties to resources; the potential to expand resources; future exploration budgets, plans, targets and work programs; development plans; activities and timetables; metal grades; metal prices; exchange rates; results of drill programs; environmental risks; political risks and uncertainties; unanticipated reclamation expenses; statements about the Group's plans for its mineral properties; acquisitions of new properties and the entering into of options or joint ventures; and other events or conditions that may occur in the future.

Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimated," "potential," "possible" and similar expressions, or statements that events, conditions, or results "will," "may," "could" or "should" occur or be achieved.

Forward-looking statements are statements concerning the Group's current beliefs, plans and expectations about the future and are inherently uncertain, and actual achievements of the Group or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors, including, without limitation, the risks that:

- (i) any of the assumptions in the resource estimates turn out to be incorrect, incomplete, or flawed in any respect;
- (ii) the methodologies and models used to prepare the resource estimates either underestimate or overestimate the resources due to hidden or unknown conditions;
- (iii) operations are disrupted or suspended due to acts of God, pandemics, internal conflicts in the country of Malaysia, unforeseen government actions or other events;
- (iv) the Group experiences the loss of key personnel;
- (v) the Group's site operations are adversely affected by other political or military, or terrorist activities;
- (vi) the Group becomes involved in any material disputes with any of its key business partners, lenders, suppliers, or customers; or
- (vii) the Group is subjected to any hostile takeover or other unsolicited attempts to acquire control of the Group.

Other factors that could cause the actual results to differ materially from current expectations include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions, as well as those risks described below under the heading "RISKS AND UNCERTAINTIES".

These forward-looking statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Group and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner.

The Group's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Group assumes no obligation to update such forward-looking statements in the future, except as required by law.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For the reasons set forth above, investors should not place undue reliance on the Group's forward-looking statements.

Other Disclosure

The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated audited financial statements for the year ended 30 June 2021 and notes thereto ("Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The information provided herein supplements, but does not form part of, the financial statements.

This MD & A covers the 6 months ending 31 December 2021 and the subsequent period up to the date of its issue. Additional information relating to the Group is available at www.sedar.com. The Group has prepared this MD&A in conformity with the requirements of National Instrument 51-102 ("NI-51-102"). These statements are filed with the relevant regulatory authorities in Canada.

Unless otherwise indicated, the technical disclosure contained within this MD&A has been reviewed and approved by Mr Kevin Wright (a qualified person for the purpose of National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects). Mr Wright is a full-time consultant to the Group and was not "independent" within the meaning of National Instrument 43-101. Mr Wright consents to the inclusion in this report of the information that he has compiled in relation to the Bau Gold Property, in the form and context in which it appears.

Business and Operating Environment

Besra Gold Inc. is a Canadian incorporated public company which was admitted to the official list of the Australian Securities Exchange (“ASX”) on 6 October 2021 and whose common shares commenced trading on ASX on 8 October 2021 (“Listing”).

Bau Gold Project

Besra is in a consortium with a Malaysian Group with Bumiputra interests that own the rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia (“Bau Gold Project”).

Besra’s interests in mining tenements extend across four concessional areas, collectively covering approximately 1,340km² of Sarawak; the Bau Gold Project (consisting of Blocks A and B), Rawan and Serian (Block C) areas. The Bau Gold Project contains a combined JORC 2012 compliant Resource, on a 100% basis, of 72.61Mt at 1.43g/t Au for 3.33Moz of gold. Both the Rawan and Serian concessional areas are viewed as greenfield exploration opportunities.

As at the reporting date, Besra has a 97.8% interest (92.8% equity adjusted interest) in the Bau Gold Project.

Key Personnel

As Besra transitioned toward the successful listing on ASX in October 2021 the senior management team and board of directors was further strengthened.

On 1 October 2021 Dr. Ray Shaw commenced as Chief Executive Officer. Ray is a geologist with a B.Sc (Hon) and a Ph.D who has been working on the Bau Gold Project for more than the past two years. Besra’s Project Manager for the Bau Gold Project, Mr Kevin Wright, who previously worked for the company on its former Vietnamese mines, and was for nine years general manager for Monument Mining Ltd’s Selingsing Gold Mine in Pahang, Malaysia entered into a service agreement with Besra to continue as Project Manager on a full-time basis on 8 October 2021. Ms Eyrn Kestel has been appointed CFO and Company Secretary October 8, 2021. Ms Kestel 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.

Likewise, there have been several changes to the composition of the Board. Mr Robert Dunne became a non-executive director of the Company following its listing on 8 October 2021. Rob Dunne is a highly experienced metallurgist and process engineer having worked extensively with refractory ores and developing and operating gold processing facilities, including the globally significant Carlin mineralisation belt in Nevada USA. Earlier Messrs. Paul Ingram, and Mark Eaton both became non-executive directors on 10 September 2020. Paul is a geologist and experienced listed public company director who previously worked on the Bau Project in the 2000s. Mark Eaton is 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, has also joined the board.

Property Description & Location

Besra’s Bau Gold Project is located 30-40km from Kuching, the capital city of the province of Sarawak, Malaysia on the island of Borneo. The Bau Gold project area (Blocks A & B) is centred around the township of Bau. Both concession Block C (Serian) and Rawan, in which Besra has interests, are located east of Bau nearer to the Sarawak/Kalimantan border.

As shown in Figure 1 Kuching, the capital of Sarawak, is located to the north of all four concessional blocks. Kuching is a sophisticated city with international airport and deep-water port facilities, the Kuching district itself containing a population of approx. 640,000 people.

With a population of 6,000 Bau, as the local service centre, is an important source for skilled labour, earth moving equipment, accommodation, general supplies and services. The main industries in the Bau district are limestone quarrying, fish farming, rice farming, palm oil and rubber production. Bau's main population groupings are Bidayuh, from the Dyak ethnic group, and Chinese who are mainly descendants of early miners who arrived in the mid to late 19th Century to exploit the gold and antimony deposits at Bau.

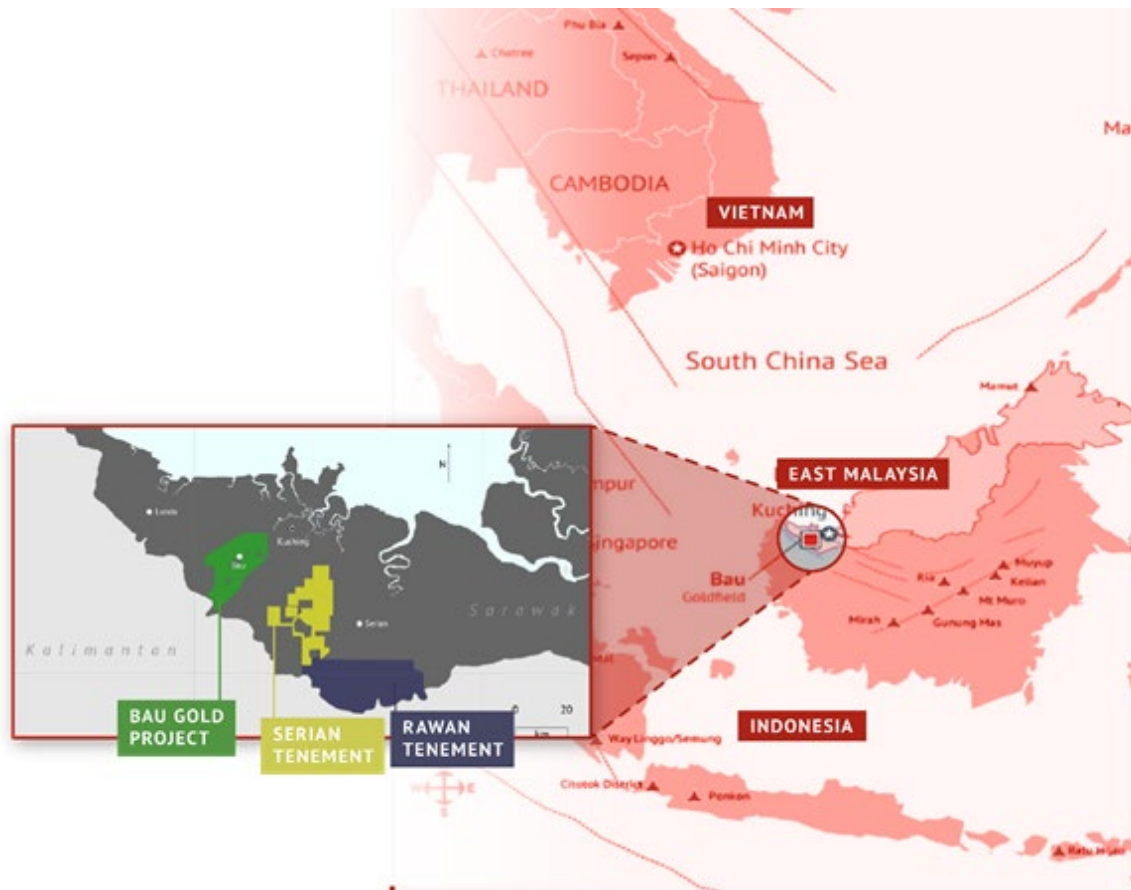


Figure 1 - Location of Besra's interests in mining concessions, Sarawak Malaysia.

The area around Bau township is dotted with kampung (village) style residential developments and domestic farming. Most of Bau's lowland areas have been subject to extensive clearing associated with agriculture and historical gold mining pursuits. Limestone quarrying is a major employer, and there is community support of mining operations as a source of employment, particularly since the closure of the last operating gold mine, at Tai Parit, in 1996.

Sarawak environmental standards are consistent with those of most developing economies which are seeking to balance primary industry activities, such as mining, with sustainable environmental practices which is supported by Besra.

With its proximity to Kuching, the Bau Gold Project benefits from good infrastructure including:

- Existing heavy industry support services;
- Regular and reliable international air services from Kuching to Kuala Lumpur, Singapore, Hong Kong and Jakarta. The airport is only a 40-minute drive from the Bau Gold Project central area;
- Two deep water ports with good dock and storage facilities;

- Two main sealed trunk roads connecting the Bau Gold Project with Kuching suitable for all weather delivery of supplies, heavy plant and equipment;
- Experienced labour and heavy engineering support services;
- Easy accessibility - project extremities are less than a 20-minute drive from the Bau township exploration base, and all the key priority gold prospects are linked by road;
- The area is serviced with reticulated power and water;
- The official language in Sarawak is Bahasa Malaysia but most local communities have English as a second language;
- An active limestone and marble quarrying industry providing products for construction, aggregates and agricultural purposes;
- Earthmoving equipment that supports the existing quarrying industry; and
- A skilled local labour source with mining experience gained from the quarrying industry and past gold mining activity.

Group Corporate Structure

Besra's interest in the Bau Gold Project is held through its direct and indirect interests in North Borneo Gold Sdn Bhd (NBG). Figure 2 shows the relative ownership interests in NBG.

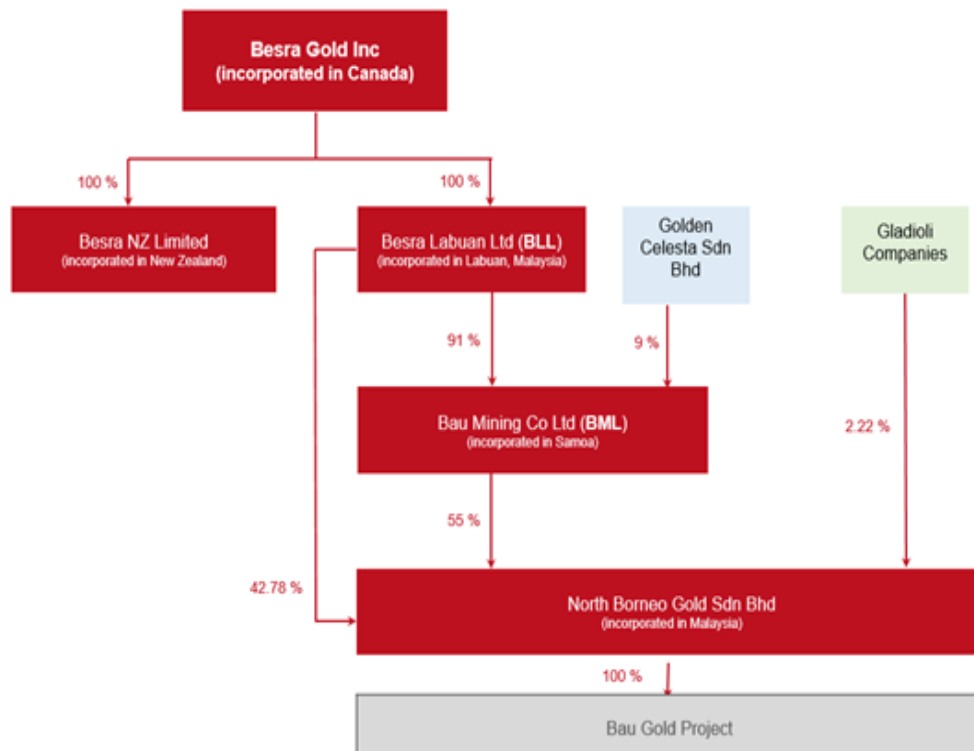


Figure 2 - Corporate Structure of Besra Gold Inc

Exploration and Development Activities

Jugan 2021-2022 Drilling Program

During the six months ending 31 December 2021 Besra successfully negotiated drilling, technical and logistical support contracts as well as completed land access arrangements, in order to commence drilling at Jugan on the Bau Gold Project. Drillcorp Malaysia Sdn Bhd was contracted to provide two rigs to undertake diamond hole drilling. This program of between 3,000m – 4,000m is the first drilling conducted at the Bau Gold Project since 2017-2018.

Drilling commenced at the Jugan Project, located approximately 6 km NE of Bau township, in early November 2021. Jugan is the most advanced of the projects at the Bau Gold Project, having a JORC Resource of:

- A Measured + Indicated Resource¹ of 870,000oz at 1.5 g/t Au;
- An Inferred Resource² of 90,000oz at 1.6 g/t Au; and
- An additional Exploration Target of 2.0 – 3.2 Moz^{2,3} at 1.8 - 2.5 g/t Au.

As at 31 December 2021, seven holes had been completed, with logging and sampling completed on five. During December 2021 samples for drill holes JUDDH 82, 83, 84, & 85 were despatched to SGS's laboratories in Pt Klang Malaysia for assay analysis. The assay results were pending at the end of the Reporting Period.

Hole ID	Project	Easting	Northing	Elevation	Declin.	Azimuth	Depth
JUDDH-82	Jugan	411330	160185	20	-90		62.9
JUDDH-83	Jugan	411360	160200	29	-90		55.1
JUDDH-84	Jugan	411315	160230	34	-90		80.1
JUDDH-85	Jugan	411390	160187	25	-90		55.5
JUDDH-86	Jugan	411435	160170	20	-90		59.1
JUDDH-87	Jugan	411360	160220	29	-50	335	79.2
JUDDH-88	Jugan	411500	160220	35	-50	45	117.4
JUDDH-89	Jugan	411400	160250	30	-50	45	234.3
JUDDH-90	Jugan	411465	160275	25	-50	45	183.4
JUDDH-91	Jugan	411450	160238	32	-90		
JUDDH-92	Jugan	411450	160220	40	-90		

TABLE 1- Jugan Project diamond drill hole specifications.

Although the area is easily assessable, the specific locations of each drill pad have required access ways, culverts and lay-out areas to be prepared. Specifications of each hole are tabulated in Table 1.

Visual sulphide mineralisation has been observed in core recovered from all holes. The sulphides at Jugan are dominated by arsenopyrite with subordinate pyrite, either as highly disseminated fine grain occurrences

¹ Refer Prospectus dated 8 July 2021 in Section 3.11 and Attachment G.

² Jugan Exploration Target ranges between 2.0 – 3.2 million Oz based on a range of grades of 1.82 – 2.50 Au g/t

³ 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.

mostly within shale shales or more concentrated occurrences associated within veining, stockworks, sand laminations and occasional breccia.

Because of its refractory style, gold mineralisation is normally correlated to the presence of sulphides and visible gold in core is very rare.

The occurrences of sulphide mineralisation at Jugan are consistent with pre-drill expectations.

Between the six months ending 31 December 2021 and lodgement of this Report, Besra released the results of the assays for the drill holes JUDDH 82 to 85 to the ASX on 17 February 2022.

These holes are part of a drilling program focused on infilling historical drillhole control to better define lateral continuity and grade in an area of shallow to outcropping mineralisation. Mineral intercepts for the first 4 diamond drill holes cored at the Jugan Project are summarised below, based on 0.5 g/t cut-off and 1 m or less of internal dilution:

- JUDDH-83: **26 m @ 2.23 g/t Au** from **surface** (0 m) to 26 m;
- JUDDH-84: **58 m @ 2.67 g/t Au** from **surface** (0 m) to 58 m; and
- JUDDH-85: **19 m @ 2.21 g/t Au** from **9 m** to 28 m.

Assay results for JUDDH -83, -84 and -85 confirm lateral continuity of the Jugan mineralised body between gaps in the historical drilling across the southwestern flank of Jugan Hill. Across this flank mineralisation outcrop geometry and the absence of gold mineralisation in JUDDH-82 confirm that the mineralisation is terminated towards the southwestern boundary of ML 140 by a fault, previously interpreted as northwest trending. Intercepted grades of mineralisation across the southwestern flank of Jugan Hill are consistent with historical drill results and support this to be an area of substantially higher-grade mineralisation, relative to Resource estimated grades for the Jugan Project overall.

JUDDH-84 intercepted a continuous interval of mineralisation (58 m @ 2.67 g/t), some 15 – 20 m thicker than that encountered in surrounding historical drill holes.

Likewise, JUDDH-83, intercepted a substantial thickness of mineralisation extending from the surface to 26 m which is more uniform and consistent than that encountered in surrounding historical drill holes. Further subsurface infill control will be provided at shallow depth, and step-out control at depth extensions (particularly down-dip control of the mineralisation in the direction of the north-easterly plunging limb), by JUDDH-87, -88 and -89, the assay results of which are both currently pending.

JUDDH-85 also encountered higher grade mineralisation relative to that encountered in more proximal historical drill holes. Drill holes JUDDH- 91 and -92 are planned to provide dual objectives, infill control within the shallower section and step-out control within the lower portions of the holes which are extended to investigate further mineralisation down dip in the direction of the north-easterly plunging mineralised limb.

Jugan Environmental Impact Assessment

The Environmental Impact Assessment (“EIA”) is a process of evaluating the likely environmental impacts associated with a future proposed development proposal of the Jugan Project involving mining and processing. The EIA is being undertaken by a Sarawak based firm, Chemsain Konsultant Sdn Bhd and involves an area of approximately 300 hectares, encompassing MLs 140 and 1/2013/1D. The EIA is anticipated to be completed during Q2/Q3 2022.

This EIA is a process of evaluating the likely environmental impacts associated with a future proposed development proposal of the Jugan Project involving mining and processing. The EIA will be used for decision-making purposes by the Natural Resources and Environment Board of Sarawak and other relevant agencies.

Pejiru Project

Drilling is scheduled to commence at Pejiru at the completion of the drilling program at Jugan and will target extensions to the Pejiru Mineral Resource which has already been delineated:

- An Inferred Resource of 0.97Moz at 1.2 g/t Au, and
- An additional Exploration Target of 1.7 – 3.3 Moz^{2,3} at 1.7 -2/4 g/t Au.

Previous drilling intercepts to be followed up included:

- KPDDH01 – 32 m @ 11.4 g/t;
- KPRC 65 – 55m @ 2.3 g/t;
- KPRC02 – 81 m @ 3.26 g/t, including:
 - 11 m @ 12.13 g/t; and
 - KPRC 66 – 20 m @ 1.8 g/t.

Administration Footprint

Besra has rapidly established its operational centre in the township of Bau including upgrading the office and living quarters and communications. New core and sample shed facilities have been constructed.

Technical and logistical support for the drilling operations has been contracted to Geoimpact Resources. Geoimpact include a group of very experienced geologists and operational specialists several of whom had previously worked at Bau with Besra and with the drilling contractors Drillcorp Sdn Bhd. Overall supervision is provided by Kevin Wright, Project Manager.

During the six months ending 31 December 2021, the Company met with community leaders, landowners, and other stakeholders at Bau to discuss forecast exploration plans, project management, access needs and the implementation of COVID public health care protocols for employees & contractors consistent with national and state government regulations.

² The Pejiru Exploration Target ranges between 1.7 – 3.3 million Oz based on a range of grades of 1.76 – 2.44 Au g/t

³ 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.

Corporate Overall Highlights

The Group Financial Statements are prepared on a consolidated basis.

Besra received conditional admission approval from the ASX on 24 September 2021 (**Conditional Admission**), was admitted to the Official List of the ASX on 6 October 2021, and its securities quoted and commenced trading on 8 October 2021.

The IPO raised A\$10.043m. Following Conditional Admission, the Company issued the following CDIs on 29 September 2021:

- 83,942,611 to holders of the secured notes in full satisfaction of all amounts outstanding under those notes.
- 52,274,000 to the holders of the Bridge Notes and Novus Advances in full satisfaction of all amounts outstanding under the respective financing agreements.
- 69,844,355 upon Conditional Admission to the holders of the Creditor Notes / New Notes in full satisfaction of all amounts outstanding under the Creditors Notes / New Notes.
- 532,457 to certain trade creditors.
- 12,500,000 to Gladioli Group.
- 20,000,000 to Pangaea Resources Limited ('Pangaea').
- 50,218,484 to IPO investors to raise \$10,043,697.

The cash proceeds from the IPO are applied towards exploration & development activities at the Bau Gold Project, general working capital, listing costs and other trade creditors of the Group.

Corporate and Administrative Expense

in USD	3 Months to 31 December		6 months to 31 December	
	2021	2020	2021	2020
Professional & Consulting Fees	165,472	662,952	287,116	955,194
Management & Administration	83,663	94,943	211,293	445,008
Listing Costs	217,343	-	217,343	-
Office & Facilities	62,916	21,295	117,607	53,398
Insurance	31,947	(549)	32,274	24,096
Directors Fees	42,873	71,875	78,255	106,875
	604,214	850,516	943,888	1,584,571

Bau Project Exploration and Evaluation Expenditure Detail

in USD	3 Months to 30 September		3 months to 30 September	
	2021	2020	2021	2020
Exploration Office and Consulting	(160,706)	40,807	(108,037)	123,515
Labour	4,656	(237,437)	4,656	(237,437)
	(156,050)	(196,630)	(103,381)	(113,922)

The credits for expenses in the current and the 2020 periods arose from an over-accrual of costs up in previous periods.

Summary of Assets Held

As at 31 December 2021 total assets amounted to \$21,378,737 including exploration and evaluation assets of \$17,842,848. Total liabilities amounted to \$1,305,765.

The Group's sole asset Bau Gold Project, refer above, consists of mining and exploration tenements within the Bau Goldfield. Besra's 100% owned subsidiary Besra Labuan acquired its interest in North Borneo Gold (NBG), which owns rights to the mining tenements covering the area of Bau. Besra acquired its interest in Bau in accordance with the agreement for the sale of shares in NBG between Gladioli, Besra Labuan and Mr. Ling Lee Soon (guarantor of Gladioli) dated 1 October 2010, as amended and restated on 12 May 2013 and 17 November 2016 ("SPSA").

Under the terms of the SPSA Besra was required to pay a further \$7.6 million consideration to Gladioli to acquire the remaining shares in NBG. In March 2021, in consideration of the issue to Gladioli of 12.5 million Besra CDIs issued at A\$0.20 per CDI upon completion of the Listing, Gladioli, Besra and Besra Labuan agreed to a further amendment of the SPSA and to release Besra and Besra Labuan of their obligations to complete the purchase of the remaining shares in NBG ("SPSA Variation"). Pangaea agreed to acquire 16,221 shares in NBG for cash consideration of A\$4.0 million and Besra agreed to acquire 14,419 shares in NBG from Pangaea by issuing 20.0 million CDIs to Pangaea at A\$0.20 per CDI upon completion of the Listing.

Pangaea acquired the 14,419 NBG shares on 7 July 2021. Upon the issue of the 12.5 million and 20 million CDIs to Gladioli and Pangaea respectively, Besra's interests in NBG increased to 97.8% and its equity-adjusted interest increased to 92.8%.

Liquidity & Capital Resources

On 31 December 2021, the Group had cash on hand of \$3,468,863 (2020: \$38,675) and working capital surplus of \$2,287,707 (2020 a deficit of \$21,376,276).

Cash used in operating activities was \$2,811,531 for the 6 months to 31 December 2021 (2020: \$1,147,267). The investing cash expenditure for the 6 months was \$336,426 of exploration and evaluation costs (2020: \$nil) at Bau Gold Project.

During the period \$398,948 of additional funds were raised together with share capital of \$7,383,122 (2020: \$1,345,756) to fund ongoing working capital and to repay existing loans of \$1,176,396.

Related Party Disclosure

The Financial Statements include the statements of Besra Gold Inc. and the subsidiaries in the following table:

Company Name	Jurisdiction	Ownership % 31 Dec 2021	Ownership % 30 Jun 2021
Besra NZ Limited (formerly OYM NZ Limited)	New Zealand	100.0	100.0
Bau Mining Co Ltd	Samoa	91.0	91.0
North Borneo Gold Sdn Bhd	Malaysia	97.8	87.1
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited).	Malaysia	100.0	100.0

Related parties of the Group considered to be Key Management.

Key Management

in USD	3 Months to 31 December		6 Months to 31 December	
	2021	2020	2021	2020
Management fees and salary expense	178,319	203,125	278,069	278,125

The related party transactions were incurred in the normal course of business and were measured at the exchange amount.

Contractual Commitments

Pursuant to the terms of the SPSA Variation NGB entered into a Consultancy Agreement with Bukit Young Goldmine Sdn Bhd, ("Contractor") a member of the Gladioli Enterprises group to provide to consultancy services to the Group.

A fee of \$A250,000 per annum, will be paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term of the agreement. The agreement may be extended on terms mutually agreed between the parties.

Selected Annual Information

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020	Year Ended 30 June 2019
Revenue	-	-	-
Profit (loss) & comprehensive profit (loss)	1,977,662	(1,062,046)	(22,500,523)
Comprehensive profit (loss) attributable to shareholders of the parent	1,981,359	(1,057,833)	(18,863,527)
Basic and Diluted profit (loss) per share	0.007	(0.001)	(0.019)
Total Assets	17,564,800	17,605,914	17,586,915
Total Liabilities	32,362,224	19,088,669	17,530,848
Total Equity	(14,797,424)	(1,482,755)	56,067

Summary of Quarterly results

The following table sets out the selected quarterly financial information prepared in accordance with IFRS for each of the Group's last eight quarters

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Profit (loss)	(8,379,845)	3,972,411	(10,261,717)	(715,815)	(1,277,304)	(1,057,833)	(1,254,508)	576,055
Profit (Loss) per share	(0.028)	0.014	(2.129)	(0.149)	(0.265)	(0.219)	(0.260)	0.120

There was no Revenue earned during any of the quarters.

The variance in Net profit Income for the Q1 2022 period is due, in the main, to settlements with a number of parties in Trade payables, Accruals and other payables which resulted in a recovery of \$3,058,719.

In the Q2 2022 period there was a Fair value loss on settlement of loans of \$4,609,328 and share based payments of \$2,707,000. Variances in profit (loss) in other periods are mainly due to re-valuing derivative liabilities and any other fair value adjustments and impairments.

Off-Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Financial Instruments

The Group has not entered into any financial agreements to minimise its investment, currency or commodity risk.

Outstanding Share Data

in USD	Number of Common Shares	Amount
Balance 30 June 2021	4,818,622	141,517,358
Issue of CDIs to holders of Derivative Liabilities	153,786,966	22,609,800
Issue of CDIs to Bridge Notes and Novus Advances holders	52,274,000	7,685,354
Issue of CDIs to trade creditors	532,457	78,282
Issue of CDIs in accordance with the SPSA (refer above 'Summary of assets held')	32,500,000	4,778,150
Issue of CDIs to IPO investors	50,218,484	7,383,122
Issue costs	-	(918,909)
Balance 31 December 2021	294,130,529	183,133,157

Critical Accounting Estimates

Information about significant areas of estimation uncertainty are considered by management in preparing the Audited Financial Statements is described in the Audited Consolidated Financial Statements for the year ended 30 June 2021 and Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2021.

Future accounting standards issued and adopted

There have been no New or revised Standards or Interpretations adopted in this period.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Accounting Policies

The accounting policies and methods of computation are described in the Audited Consolidated Financial Statements for the year 30 June 2021 and are consistent with those adopted for preparation of the Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2021.

Risk Factors and Uncertainties

Readers of the MD&A are encouraged to read the "Risk Factors and Uncertainties" as more fully described in Besra's filings with the Canadian Securities Administrators. It is also included in the Audited Consolidated Financial Statements for the year ended 30 June 2021.

Impact of Covid

As at the end of December 2021 the COVID-19 situation in Malaysia continued to improve with daily cases of between 2,800 and 3,000 being reported.

Besra and its operating subsidiary North Borneo Gold Sdn Bhd follow all governmental COVID-19 restrictions and policies.

Besra continues to closely monitor developments around the COVID-19 pandemic, particularly the impact of the omicron stain which has more recently seen an increase in infection rates. The Group follows the measures recommended by public health and government authorities. Besra will continue to monitor the situation with our priority being the health and safety of our employees and our surrounding communities.

Subsequent events

There have been no other significant events after the reporting date, save for the following announcements released to the Australian Securities Exchange

- 31/01/2022 : Quarterly Activities Report including Appendix 5B for December 2021 Quarter
- 17/02/2022 : “Outstanding First Gold Assays for drilling at Bau Project”.

Approval of the MD&A

This MD&A has been prepared by management with an effective date of 28 February 2022.

The MD&A and the Unaudited Condensed Interim Consolidated Financial Statements for the 6 months ended 31 December 2021 were approved by the Board of Directors of the Group.