

25 November 2022

Section 708AA(2)(f) Notice of the Corporations Act 2001 (CTH)

Besra Gold Inc (**ASX: BEZ**) (**Besra** or the **Company**) has today formally announced a pr rata non-renounceable rights issue of 1 new CDIs (**New CDIs**) for every 3 CDIs held by holders or every 3 common stock shares held by common stock holders (where those CDI holders or common stock holders are in Australia, New Zealand, Canada (accredited investors only), the United States (in the states of Connecticut, Florida, Minnesota, New York and Texas), the United Kingdom, Malaysia and Belize (together, the **Permitted Jurisdictions**), being the **Eligible Securityholders**), to raise approximately \$5.1 million (before costs) (**Offer**).

Further details regarding the Offer are set out in the Offer booklet expected to be despatched to Eligible Securityholders and released to the ASX on 6 December 2022.

This notice is given by the Company under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/81 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

For the purposes of section 708AA(7) of the Corporations Act (as modified by ASIC Class Order 14/827), the Company gives notice that:

1. The Company will offer the New CDIs under the Entitlement Offer without disclosure to investors under part 6D.2 of the Corporations Act.
2. This notice is being given under section 708AA(2)(f) of the Corporations Act as modified.
3. As at the date of this Notice, the Company has complied with (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company and (ii) sections 674 and 674A of the Corporations Act.
4. As at the date of this Notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be disclosed in this notice under section 708AA(7)(d) of the Corporations Act.
5. The potential effect that the issue of the New CDIs will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Securityholders take up their entitlements under the Offer, as detailed further below.

Potential effect on control

As the Company is not incorporated under the Corporations Act, the provisions of Chapters 6 and 6C of the Corporations Act do not apply to the Company. However, for the purposes of describing the effect of the Offer on the control of the Company, this notice employs terms defined in those chapters as if they did apply.

The potential effect of the Offer on the control of the Company is summarised below:

1. Based on information available to the Company on or before the date of this notice, the current substantial holders of the Company as at the date of this notice are:

Substantial Holder	CDI holdings	% of common stock shares
Quantum Metal Recovery Inc (Quantum)	53,673,533	17.58%
Pangaea Resources Limited	55,339,602	18.12%

- 2 If all Eligible Securityholders take up their full entitlement under the Offer, they will maintain their existing percentage interest in the total issued capital of the Company. In these circumstances, the Offer will have no significant effect on the control of the Company.
- 3 In the event that there is a shortfall under the Offer, those shortfall New CDIs will be offered to other Eligible Securityholders under a top-up facility, whereby those Eligible Securityholders may apply for additional New CDIs in addition to their entitlement under the Offer. Any shortfall after New CDIs are allocated through the top-up facility will be subscribed under the underwriting arrangement described below.
- 4 Quantum has committed to take up its full entitlement under the Offer. Additionally, Quantum has committed, under an underwriting agreement with the Company, to fully underwrite the Offer, subject to certain conditions precedent, termination events and other customary provisions. All of the Directors who are entitled to participate in the Entitlement Offer intend to participate in the Entitlement Offer.
- 5 The table below sets out the impact on the voting power of Quantum in various scenarios where Quantum subscribes for its full entitlement of 17,891,184 New CDIs under the Offer and underwrites the Offer.

Subscription by Securityholders other than Quantum	Quantum holding	
	Number of CDIs	Voting power (%)
100%	71,564,737	17.58%
75%	92,528,744	22.73%
50%	113,492,752	27.89%
25%	134,456,759	33.04%

Consequences of potential effect on control

The consequences of the potential effect of the Offer on the control of the Company are summarised below.

- 1 Eligible Securityholders who do not take up their entitlement in full may be diluted relative to those Securityholders who apply for some or all of their entitlement. The extent of dilution will depend on the extent to which Eligible Securityholders take up their entitlement, the extent to which additional New CDIs in the Company are issued under the top-up facility, and whether or not the underwriting arrangements described below are completed in accordance with their terms.
- 2 The proportional interests of securityholders of the Company who are not Eligible Securityholders will be diluted because such securityholders are not entitled to participate in the Offer.
- 3 The potential increase in the voting power of Quantum means that Quantum and its associates may be in a position to potentially influence the financial and operating decisions of the Company, and their interests may or may not align with those of all other Securityholders.

4 However, to the best of the Company's knowledge and upon completion of the Offer, except as detailed below, Quantum has no present intention to appoint any new director to the Board of the Company, or to:

- (a) change the Company's business;
- (b) inject further capital into the Company;
- (c) transfer assets between the Company and Quantum;
- (d) change the employment of any present employee of the Company; or
- (e) otherwise redeploy the fixed assets of the entity

This announcement was authorised for release to the ASX by Andrew Worland, Chairman.

For further information about the Company and its projects please visit the Company's website at <https://www.besra.com/>.

Andrew Worland
Chairman
08 6102 7133
info@besra.com



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.

