



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

For the 6 months ended 31 December 2022

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 2022 of the 2023 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 2022 and has been approved on 28th February 2023 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 2022. 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 2022 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 2022 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 CDIs 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, 3 Moz of gold¹. 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

During the Reporting Period changes in key personnel occurred in relation to board composition; the resignation of Mr Mark Eaton and Mr Rob Dunne as non-executive directors of the Company, effective 18 November 2022 and the resignation of Mr Andrew Worland, non-executive director and Chairman, effective 13 December 2022

Otherwise, there had been no changes in Key Personnel¹.

Property Description & Location

Besra's Bau Gold Project is located 30-40km from Kuching, the capital city of the State 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, is located to the north of all four concessional blocks. Kuching is a sophisticated city servicing more than 640,000 residents with a domestic and international airport and deep-water port facilities.

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 for the Company's operations. 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.

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 residential, 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 the co-existence primary industry activities, such as mining, with other land-use activities including eco-tourism and sustainable environmental practices, all of which are supported by Besra.

With its proximity to Kuching, the Bau Gold Project benefits from an existing well-developed infrastructure including:

- 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;
- 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
- Multi-professional pool of consultants and contractors together with a skilled local labour source with mining experience gained from the quarrying industry and past gold mining activity.

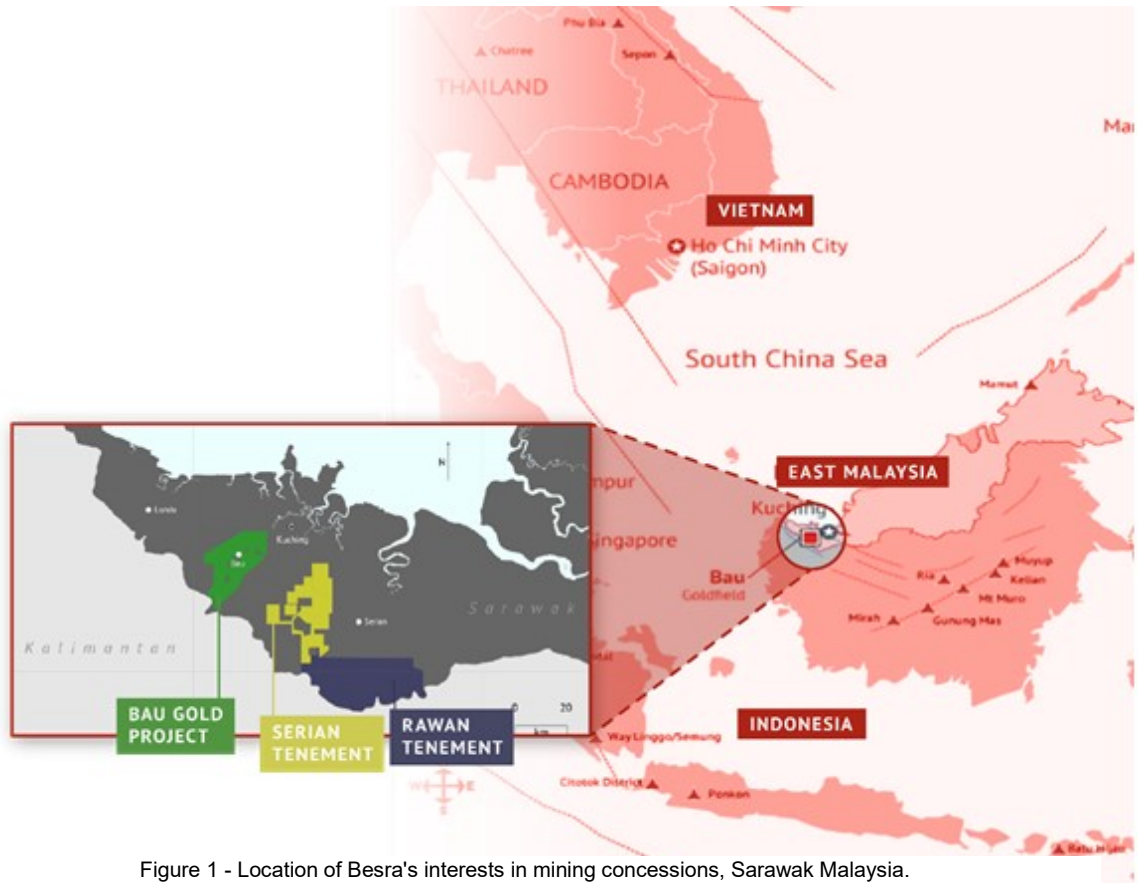


Figure 1 - Location of Besra's interests in mining concessions, Sarawak Malaysia.

Intercorporate Relationships

Besra Gold ("the Company") controls five entities ("subsidiaries"), these subsidiaries forming the Besra "Group" being:

- Fort Street Administration Limited (formerly Besra NZ Limited)
- Bau Mining Co Ltd
- North Borneo Gold Sdn Bhd ("NBG")
- Besra Labuan Ltd
- Besra Gold Australia Pty Ltd.

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.

Exploration and Development Activities

During the six months ending 31 December 2022, Besra completed its initial drilling program within the Bekajang Project area and received its final assay results from its drilling program on the Jugan Prospect, completed during the Half-Year to 30 June 2022.

Bekajang Project

The Bekajang Project lies along a very prospective trend that includes two historical mine sites. The Bukit Young Gold pit (BYG) was mined until September 1992, prior to the redevelopment of the Tai Parit mine that, according to mine records, produced some 440,926 tonnes at a grade of 4.51 g/t Au. Tai Parit recorded production of some 700,000 oz of gold, of which approximately 213,000 oz @ 7 g/t was produced between 1991 and 1997 by Bukit Young Gold Mine Sdn Bhd, the last commercial operator in the region. Historical drilling provides the basis for a substantial JORC 2012 compliant Resource inventory at Bekajang, comprising:

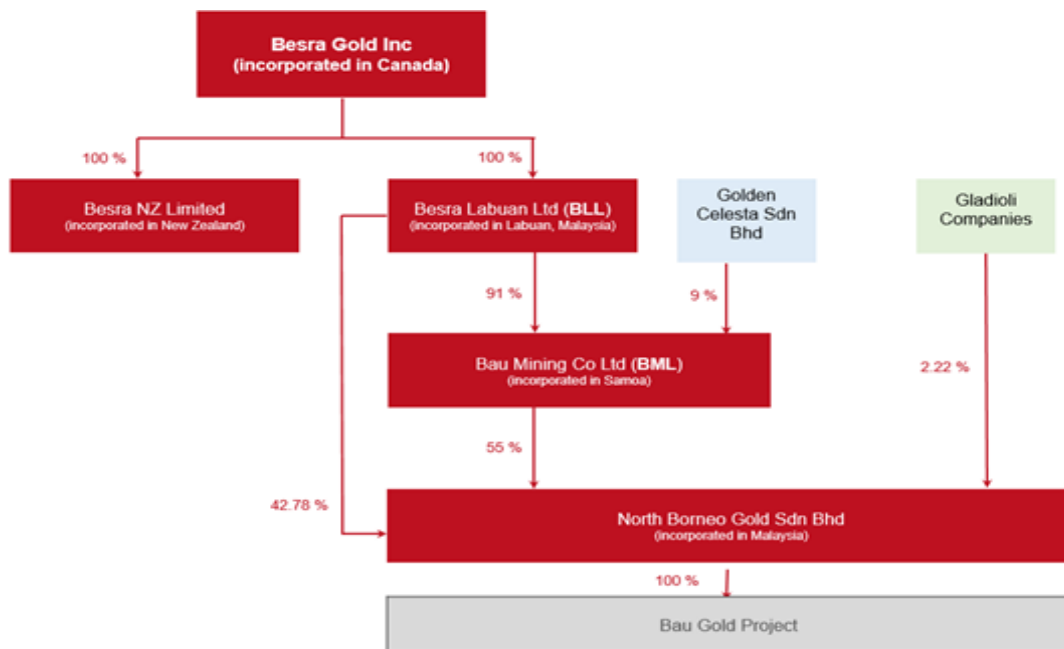


Figure 2 - Corporate Structure of Besra Gold Inc

- A Measured and Indicated Resource totalling 120.4 Koz @ 2.0 g/t Au;
- An Inferred Resource of 524 koz @ 1.5 g/t Au; and
- An additional Exploration Target of 0.50 – 0.80 Moz @ 2.0 – 3.0 g/t Au, respectively.

The initial Bekajang drilling program (Table 1) which commenced during H1 calendar year 2022 was completed in early August following completion of drill holes BKHHD-29 & -30 drilled for a total of 362m. In entirety the program consisted of 21 fully cored holes (including two re-drills because of poor ground conditions) for a total of 1,410m. Drilling was temporarily suspended in August 2022 until the back-log of drill core assaying was completed and these new results could be integrated into the forward drilling program. Drilling finally recommenced on 29 December 2022. This “2023” drilling program at Bekajang involves an initial follow-up of six fully-cored step-out holes positioned to delineate the spatial extent of the interval intercepted in BKDDH-27 containing bonanza grade gold.

Assaying

During the Reporting Period gold assay results were received for BKDDH-12 to -27, inclusive, drilled during the initial Bekajang program. As shown in Table 2, these included some exceptional intercepts.

Table 1 - Summary of significant intercepts from the initial BKDDH drilling program.

Drill Hole	Primary Target	From (m)	To (m)	Interval (m)	Av Au grade (g/t)
BKDDH-12	LSC	0	2.0	2.0	1.26
BKDDH-12	LSC	4.0	7.0	3.0	3.13
BKDDH-13	LSC	0	1.0	1	2.08
BKDDH-13	LSC	7.0	10.6	3.6	14.68
Including		12.3	13.6	1.3	37.00
Including		9.0	10.0	1.0	37.20
BKDDH-14A	LSC	6.0	12.7	6.7	3.34
BKDDH-14A	LSC	21.0	24.0	3.0	4.65
BKDDH-15	LSC	13.7	14.4	0.70	14.10
BKDDH-16	LSC	18.0	22.2	1.42	4.20
BKDDH-18	LSC	2.4	4.8	2.40	2.35
BKDDH-18	LSC	28.4	29.3	0.90	1.73
BKDDH-18	LSC	33.0	35.0	2.00	1.19
BKDDH-18	LSC	41.0	44.1	3.10	1.20
BKDDH-19	LSC	38.7	43.0	4.3	0.81
BKDDH-22	LSC	9.0	12.75	3.75	0.77
BKDDH-23	LSC	1.0	9.0	8	1.35
BKDDH-23	LSC	19.4	280.0	8.6	17.71
including		19.4	20.0	0.6	30.40
Including		20.0	20.8	0.8	103.0
BKDDH-25	Bau Deep	65.0	68.7	3.7	0.86
BKDDH-25	Bau Deep	71.6	76.0	4.4	0.82
BKDDH-25	Bau Deep	86.0	86.9	0.9	3.17
BKDDH-26	Bau Deep	48.0	50.0	2.0	0.73
BKDDH-27	LSC	0	2.0	2.0	1.20
BKDDH-27	LSC	8.0	17.7	9.7	7.09
Including		15.1	16.0	0.9	39.3
BKDDH-27	Bau Deep	40.3	42.0	1.7	8.81
BKDDH-27	Bau Deep	43.6	45.0	1.4	4.49
BKDDH-27	Bau Deep	53.9	56.1	2.2	3.90
BKDDH-27	Bau Deep	58.4	71.0	12.6	22.91
Including		60.5	61.0	0.5	209.00
Including		61.0	62.0	1.0	64.00
Including		62.0	63.0	1.0	15.90
Including		63.0	64.0	1.0	31.80
Including		64.0	65.0	1.0	22.30
Including		67.0	68.0	1.0	14.10
BKDDH-28	Bau Deep	Results Pending			
BKDDH-29	Bau Deep	Results Pending			
BKDDH-30	Bau Deep	Results Pending			

Highest gold grade intercepts were encountered along the northern flank of the historical Bekajang tailings dam, where previous RC drilling (BKRC067 to 128) identified gold mineralisation within the top of the Bau Limestone and base of overlying units (predominantly Pedawan Formation shales and mudstones, but also clay dominated lithologies of unspecified age - "Z" lithologies - often intruded or replaced by dacite dykes). From an exploration viewpoint this stratigraphic level is traditionally referred to as the LSC (Limestone Shale Contact) target.

Besra's 2022 Bekajang Program was the first comprehensive fully cored program along this trend. Visually the cores highlighted pervasive hydrothermal alteration, with a number of the later holes (BKDDH-23, -

27, -28, -29 & -30) drilled to depths >100m in order to specifically assess deeper mineralisation potential. For some time it had been speculated that there may be a deeper component to this area's traditional shallow gold mineralisation endowment. Besra's 2022 Bekajang Program confirmed mineralisation at the LSC target zone with significant intercepts noted in BKDDH-12, -13, -14A, -16, -18, -23, & -27 (Table 1).

Of the assay results received to date, BKDDH-27 confirmed the presence of exceptional gold mineralisation some 40m below, and distinct from, the overlying LSC target. Comprising a total interval of 15m this deeper mineralised zone included:

- 2m @ 8.81 g/t Au from 40m to 42m;
- 13m @ 22.91 g/t Au from 58m to 71m including –
 - 0.5m @ 209 g/t Au from 60.5m to 61.0m,
 - 1.0m @ 64.0 g/t Au from 61.0m to 62.0m,
 - 1.0m @ 31.8 g/t Au from 63.0m to 64.0m,
 - 1.0m @ 22.3 g/t Au from 64.0m to 65.0m.

The highest gold grades, including an interval with a peak of 209 g/t Au (Table 1), are associated with silicified alteration of the host limestone involving vugs, brecciation and veining. Reflecting these exceptional grades was the occurrence of visible gold which is highly unusual along the Bau Gold Field corridor given that the mineralisation style is predominately Carlin-like, and intimately associated with either pyrite or arsenopyrite. The grades over the interval 58.4m -71.0m within BKDDH-27 include some of the highest documented since modern exploration commenced.

Although visual inspection of the recovered core from BKDDH-24, -25 & -26, drilled in the southwestern flank of the Bekajang tailings dam, showed weathered clay mineralisation extending down to depths of up to 80 m, none of the assay results (Table 1) indicated gold tenor like that encountered in either the historical neighbouring Tai Parit or BYG mine sites. Despite the presence of pervasive karstic and other alteration textures only minor gold mineralisation was identified at depth (BKDDH-25 3.7m @ 0.86 g/t Au, 4.4m @ 0.82 g/t Au, 0.9m @ 3.17g/t Au; BKDDH-26 2.0m @ 0.73 g/t Au). Given the proximity of these drill holes to the Tai Parit and BYG mines, the lack of karst infill mineralisation implies that the Bau Limestone beneath the southwestern flank of the Bekajang tailings dam, was exposed to different fluid flow and alteration histories. from those operative at the nearby Tai Parit and BYG mines. Besra will undertake further analysis to understand the apparent controls of this implied partitioning and its implications for revising an exploration strategy to identify Tai Parit and BYG analogues within the Bekajang Prospect precinct.

Jugan Project

The Jugan Project is located approximately 6 km NE of Bau township (Figure 2). Contained within the Pedawan Formation, the mineralisation is shallowest across a local topographic high – Jugan Hill.

Previous drilling has formed the basis of the current JORC Resource at Jugan which comprises:

- Measured + Indicated Resource of 870,000 Oz1 at 1.5 g/t Au;
- Inferred Resource of 90,000 Oz1 at 1.6 g/t Au; and
- Additional Exploration Target, of 2.0 – 3.2 Moz at 1.8 – 2.5 g/t Au.

The Jugan component of Besra's 2021-2022 drilling program commenced in early November 2021 with the program finishing during the Half-Year ending 30 June 2022 with 17 drill holes totalling 2,022m. Most drill holes were designed with dual objectives; to provide additional infill drilling control at shallower depths and step-out or reconnaissance to provide additional geological control beyond the existing Resource envelope, at depth or along strike.

Assaying

Assay results received during the Reporting Period are summarised below as Table 3. These intercepts are estimated based on 0.5 g/t Au cut-off and 1 m, or less, of internal dilution.

Drill Hole	From (m)	To (m)	Interval (m)	Av Au grade (g/t)
JUDDH-96	Jugan	3	6.0	1.54
	Jugan	12.9	6.0	1.14
	Jugan	20.9	1.0	0.57
	Jugan	22.9	15.1	1.20
	Jugan	47	2.0	0.58
	Jugan	53	11.0	0.95
	Jugan	69	10.0	0.89
	Jugan	81	2.0	2.83
	Jugan	87	1.0	0.56
	Jugan	89	7.0	1.64
JUDDH-97	Jugan	13	1.7	1.03
	Jugan	16	8.0	1.27
	Jugan	27	2.0	0.81
	Jugan	32	12.0	1.16
	Jugan	66	37.0	1.80
	Jugan	233	1.0	1.56
JUDDH-95	0	45	45	1.76
<i>Including</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>2.90</i>
<i>Including</i>	<i>31</i>	<i>34</i>	<i>3</i>	<i>4.02</i>
JUDDH-98	0	22	22	2.60
<i>Including</i>	<i>0</i>	<i>5</i>	<i>5</i>	<i>3.16</i>
<i>Including</i>	<i>18</i>	<i>22</i>	<i>4</i>	<i>4.92</i>
	26	43	17	1.46
	45	74	29	2.88
<i>Including</i>	<i>65</i>	<i>71</i>	<i>6</i>	<i>7.12</i>
	76	83	7	1.71

Table 3 – JUDDH-95 to -98 significant gold intercepts (true thickness).

Relevance of Results

JUDDH-96 & -97 were drilled to provide subsurface control across the steeply plunging northeast corner of the main body of mineralisation. JUDDH-97, the deepest drill hole in the program, also provided exploratory control on the potential for the development of deeper mineralisation, testing the concept of whether there may be multiple intervals of mineralisation associated with an under-pinning stacked thrust structure.

Both JUDDH-96 & -97 intercepted intervals of extensive mineralisation of approximately 90m thickness, between the lower footwall thrust and the upper hanging (roof) thrust. This is a consistent pattern of gold mineralisation endowment, highlighting that both thrust structures are controlling boundaries for mineralisation along the entire strike extent of the Jugan deposit. Detailed correlation of these boundaries between drill holes of historical and current 2021-2022 drilling program is important for revising future gold Resource re-estimations.

JUDDH-97, the deepest hole in the current program was extended vertically a further 170m below the base of the footwall thrust to investigate the potential for detached stacked thrust sheets associated with separate mineralisation, inboard and separate to the main mineralised body. No significant thrust structures were intercepted, nor other evidence to support the presence of separate thrust sheets, and only a modest outlier of gold mineralisation was encountered, 0.8g/t Au between 235m – 237m.

JUDDH-95 & -98 provided additional subsurface control within Jugan's main body of mineralisation's steeply NE plunging limb, nearly 200m from outcrop. Both holes intercepted superior grades of mineralisation over thick intervals from the surface (Figures 9 & 10). JUDDH-98 confirmed the lateral extension to Jugan's main body of mineralisation, as previously determined in this area by intercepts in historical holes JNDDH-M02 and MDH05, together with its thickening – mineralisation being intercepted virtually continuously some 70m vertically from the surface at an average gold grade of approximately 1.8 g/t Au. Of note, at depth in this region, is the interception by several holes of higher gold grade intervals exceeding 4 g/t Au. In JUDDH-98 this coincides with an interval of 10m with an average grade of 4.26 g/t Au, including 6m @ 7.12 g/t Au, between 65m - 71m. This interval can be correlated with similar higher-grade intervals intercepted in MDH-08 and DDH-1337. Core from this higher-grade interval in JUDDH-98 displays strong carbonate and dickite veining, arsenopyrite and pyrite veining of 5-10%, vein selvages, stockworks, as well as disseminated fine sulphides in bands and breccias of up to 3-5%.

Metallurgical Studies

ZJH Minerals Company Ltd of Xinyang China has been mandated to undertake test work, including crushing, grinding, conditioning, reagent responses, flotation, dewatering and drying for selected representative bulk samples from the Jugan Prospect. These results will be used to prepare a test report and flow chart for designing a 50 TPD flotation plan, potentially moving at a later time to 200 TD, to be sited at the Jugan Project which is currently under consideration.

Flotation test work of bulk samples of Jugan mineralisation continued to be undertaken by ZJH Minerals Company Ltd of Xingyang City, Henan Province, China during the six months ending December 31 2022. Initial plans for design of the test-plant are currently being reviewed and finalisation, together with a procurement schedule, is expected during the March 2023 Quarter.

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. 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.

In December 2022 Chemsain Konsultant Sdn Bhd completed community and other stakeholder dialogue meetings and finalised the EIA Report. This was submitted to the Natural Resources and Environment Board (NREB) Sarawak for its consideration. At the same time an Application for Early Commencement Works (ECW) was lodged in order to undertake drilling activities prior to a determination of the EIA. This ECW was approved, by the NREB on 21 December 2022.

Gold Offtake Purchase Facility

As disclosed on 25 November 2022, during the Reporting Period the Company has been involved in negotiations with its substantial shareholder, Quantum Metal Recovery Inc, pursuant to which it is proposed that it will provide up to US\$300 million in financial support, commencing as soon as during calendar year 2023, by way of a gold offtake purchase facility. The proposed facility, if implemented, would enable Besra to advance exploration and development planning, and to expedite production at the Bau Gold Project in Sarawak, Malaysia.

It is proposed that stream deliveries would be based on gold production from Bau, the facility will be applied to fund procurement, construction and commissioning of onsite mine & processing plant. Negotiations are progressing positively, although no agreement has yet been reached, Any agreement would be subject to Besra board, shareholder and regulatory approval including compliance with ASX listing rules. No agreement can be given that an agreement will be reached.

Corporate Activities

Overall Highlights

On 31 December 2022, the Company held cash reserves of \$2.174m and no debt, following a A\$1m private placement in October and funds received from the underwriter of the Entitlement Offer (see below). A further \$1.327m was held on trust for the Company by the Company's share registry Computershare Investor Services Pty Ltd pursuant to proceeds received from the Entitlement Offer.

On 3 January 2023, the funds held on trust were released to the Company, increasing the Company's cash reserves to \$3.501m.

On 3 October 2022 the Company disclosed to the market its 2022 Corporate Governance Statement pursuant to ASX Listing Rule 4.10.3.

On 10 October 2022 Besra announced the signing of a private placement Subscription Agreement with Quantum Metal Recovery Inc ("Quantum"), a substantial shareholder of the Company, for the issue of 11,111,111 new CDIs to raise A\$1,000,000. The CDIs were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1 at an issue price of A\$0.09 per CDI and rank equally with existing fully paid CDIs on issue. Proceeds have been used to fund activities at the Bau Gold Project and general working capital.

On 18 November 2022 the Company announced changes to the board with the resignations of Messrs Mark Eaton and Robert Dunne.

On 18 November 2022 the Company disclosed a substantial shareholder notice disclosing that Quantum, having acquired the shares through the Placement and an Off-Market Transfer, had increased its CDI holdings from 9.72% to 18.51%.

On 25 November 2022 the Company announced a 1 for 3 Non-Renounceable Entitlement Offer of CDIs at A\$0.05 per CDI to raise approximately A\$5.1m (before costs) ("Entitlement Offer"). The Entitlement Offer was fully underwritten by Quantum. Proceeds from the Entitlement Offer with proceeds to be applied to:

- Jugan Resource Review & Feasibility Studies;
- Jugan Test Processing Plant;
- Resource Exploration & Drilling;
- In-Country administration and overheads; and
- General working capital and administration.

On 25 November 2022 the Company disclosed to the ASX that it was in advanced discussions with its substantial shareholder, Quantum, pursuant to which it was proposed that it would provide up to US\$300 million in financial support, commencing as soon as CY2023, by way of a gold offtake purchase facility.

On 6 December 2022 the Company disclosed and despatched the Entitlement Offer Booklet to Eligible Security Holders.

On 13 December 2022 the Company announced a change to the Board with the resignation of Mr Andrew Worland.

On 15 December 2022 the Company held its Annual General Meeting. Resolution 1 was withdrawn prior to the commencement of the Meeting (concerning the re-election of Mr Andrew Worland) but the remaining five (5) resolutions were passed by way of a poll. Details of each resolution, proxy votes and votes cast on the poll were disclosed to the market in accordance with ASX Listing Rule 3.13.2.

On 29 December 2022 the Company disclosed a variation in the Underwriting Agreement and completion of the Entitlement Offer with amendments for the date of receipt of funds for the underwritten Shortfall CDIs being extended until 5:00pm (AWST) on Friday, 30 December 2022 and the issue and allotment date for the New CDIs extended to Tuesday, 3 January 2023.

Securities on issue as at 31 December 2022 and 28 February 2023 were:

Quoted Securities	Number
Chess Depository Interests 1:1	252,113,733
Unquoted Securities	Number
Fully paid Ordinary Shares Escrowed	53,127,907
Options expiring 08-October-2025 Restricted	7,142,275
Options expiring 08-October-2026	7,250,000
Class A Performance Rights Restricted	2,600,000
Class B Performance Rights Restricted	3,650,000
Common Shares	4,818,622

Corporate and Administrative Expense

in USD	3 Months to 31 December		6 months to 31 December	
	2022	2021	2022	2021
Professional & Consulting Fees	49,547	165,472	141,196	287,116
Fundraising Costs	(37,269)	-	-	-
Management & Administration	32,945	83,663	112,295	211,293
Listing Costs	27,972	217,343	27,972	217,343
Office & Facilities	24,568	62,916	79,884	117,607
Currency Losses (Gains)	83,408	-	(22,802)	-
Insurance	27,180	31,947	27,652	32,274
Directors Fees	33,175	42,873	73,704	78,255
	241,526	604,214	439,901	943,888

The 6 months to 31 December 2021 included costs relating to the issue of the prospectus, listing on the ASX and settlement with creditors resulting in additional expenditure in most of the expense categories for that period. Fundraising costs of \$37,269 in the 3 months to 30 September 2022 were taken up in Equity as Share Issue Costs in the 3 months to 31 December 2022.

Bau Project Exploration and Evaluation Expenditure Detail

in USD	3 Months to 31 December		6 months to 31 December	
	2022	2021	2022	2021
Exploration Office and Consulting	7,039	(160,706)	7,039	(108,037)
Labour	-	4,656	-	4,656
	7,039	(156,050)	7,039	(103,381)

The credits for expenses in the 2021 periods arose from an over-accrual of costs in previous periods.

In addition, \$796,028 of Exploration costs were capitalised in the 6 months to 31 December 2022.

Summary of Assets Held

As at 31 December 2022 total assets amounted to \$23,238,163 including exploration and evaluation assets of \$19,712,475. Total liabilities amounted to \$836,845.

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 Variation (also covered in previous MD&A reports) agreed in 2021 between the parties, Pangaea acquired the 14,419 NGB 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 NGB increased to 97.8% and its equity-adjusted interest increased to 92.8%.

Liquidity & Capital Resources

On 31 December 2022, the Group had cash on hand and held in trust of \$3,502,143 (2021: \$3,468,863) and working capital surplus of \$2,688,610 (2021 a surplus of \$2,287,717).

Cash used in operating activities was \$408,415 for the 6 months to 31 December 2022 (2021: \$2,852,840). The investing cash expenditure for the 6 months was \$646,380 of exploration and evaluation costs (2021: \$336,426) at Bau Gold Project.

During the period additional share capital was raised of \$3,760,362 (2021: \$398,948 of additional funds were raised together with share capital of \$7,383,122) to fund ongoing working capital and to repay existing loans of \$63,390 (2021: \$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 2022	Ownership % 30 Jun 2022
Fort Street Admin (formerly Besra NZ Ltd)	New Zealand	100.0	100.0
Bau Mining Co Ltd	Samoa	91.0	91.0
North Borneo Gold Sdn Bhd	Malaysia	97.8	97.8
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited).	Malaysia	100.0	100.0
Besra Australia Limited	Australia		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	
	2022	2021	2022	2021
Management fees and salary expense	183,175	178,319	274,965	278,069

The related party transactions relate to the Chief Executive and the Executive Director and 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, is 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. The present agreement expires on 7 July 2023.

Selected Annual Information

in USD	Year Ended 30 June 2022	Year Ended 30 June 2021	Year Ended 30 June 2020
Revenue	-	-	-
Profit (loss) & comprehensive profit (loss)	(3,984,227)	1,977,662	(1,062,046)
Comprehensive profit (loss) attributable to shareholders of the parent	(3,922,477)	1,981,359	(1,057,833)
Basic and Diluted profit (loss) per share	(0.018)	0.007	(0.001)
Total Assets	19,802,152	17,564,800	17,605,914
Total Liabilities	744,356	32,362,224	19,088,669
Total Equity	19,057,796	(14,797,424)	(1,482,755)

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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Profit (loss)	(180,856)	(235,984)	926,599	(503,392)	(8,379,845)	3,972,411	(10,261,717)	(715,815)
Profit (Loss) per share	(0.001)	(0.001)	0.003	(0.002)	(0.028)	0.014	(0.035)	(0.002)

There was no Revenue earned during any of the quarters. The variance in Net profit for the Q1 2022 period is due 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.

Outstanding Share Data

Year ended 30 June 2022 and period ending 31 December 2022

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 6)	32,500,000	4,778,150
Issue of CDIs to IPO investors on ASX listing	50,218,484	7,383,122
Issue costs	-	(580,579)
Balance 30 June 2022	294,130,529	182,816,338
Issue of CDI's for Share Placement	11,111,111	624,939
Issue of CDI's for Rights Issue	101,748,155	3,451,397
Issue costs	-	(315,974)
Balance 31 December 2022 of shares and CDIs	406,989,795	186,576,700

Balance 31 December 2022 of shares	4,818,622	
Balance 31 December 2022 of CDIs	402,171,173	
Balance 31 December 2022 of shares and CDIs	406,989,795	

On 10 October 2022 Besra issued 11,111,111 new CDIs to Quantum Metal Recovery Inc (“Quantum”), a substantial shareholder of the Company, to raise A\$1,000,000. The CDIs were issued pursuant to the Company’s existing capacity under ASX Listing Rule 7.1 at an issue price of A\$0.09 per CDI and ranked equally with existing fully paid CDIs on issue.

On 25 November 2022, the Company had a 1 for 3 Non-Renounceable Entitlement Offer of CDIs at \$0.05 per CDI to raise approximately A\$5.1m (before costs) (“Entitlement Offer”). The Entitlement Offer was fully underwritten by Quantum Metal Recovery Inc and was successfully closed 3 January 2023. Fundraising costs in relation to the Entitlement Offer are recognised in equity.

Off-Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Subsequent Events

On 3 January 2023 the Company sought application for the quotation of 101,748,155 CDIs after the successful completion of the Entitlement Offer. This resulted in an increase of the Quoted CDIs to 353,861,888 and the funds held on trust were released to the Company, increasing the Company’s cash reserves to \$3.501m.

On 20 January 2023 the Company provided an Investor Update which included, inter alia, that the Joint Venture had allowed ML 1D/136/ML/2008 to lapse at the conclusion of its 20-year term, given that it was extensively impacted by the subsequent gazettal of the Dered Krian National Park and did not form part of the Joint Venture’s core activities. As previously disclosed² the Joint Venture had 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 are variously encroached upon by the gazetted boundaries of the DKNP. ML 1D/136/ML/2008’s expiry resulted in a reduction to the total Resources Inventory of approximately 263,800 Oz Au. The Joint Venture will continue to advance its position and will consider full or partial renewals as appropriate for the other three MLs in due course.

On 22 February 2022 the Company announced the appointment of Ms Jocelyn Bennett to the Board and her appointment as Chair. Ms Bennett is a senior partner and director in InCoR Holdings PLC, a venture capital company and a Director of Pangaea Resources Ltd (a substantial shareholder of Besra).

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Financial Instruments

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

Critical Accounting Estimates

Information about significant areas of estimation uncertainty is considered by management in preparing the Audited Financial Statements is described in the Audited Consolidated Financial Statements for the year ended 30 June 2022 and Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2022.

Future accounting standards issued and adopted

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

² Prospectus dated 8 July 2021 refer sections 3, 7.2(b) and Appendix H.

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 2022 and are consistent with those adopted for preparation of the Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2022.

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 2022.

Impact of Covid

As at the end of December 2022 the COVID-19 situation in Malaysia continued to improve. Besra and its operating subsidiary North Borneo Gold Sdn Bhd follow all governmental COVID-19 restrictions and policies including face-mask and immunization policies.

Besra continues to closely monitor developments around the COVID-19 pandemic, particularly the impact of the omicron strain 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.

Approval of the MD&A

This MD&A has been prepared by management with an effective date of 28 February 2023.

The MD&A and the Unaudited Condensed Interim Consolidated Financial Statements for the 3 months ended 31 December 2022 were approved by the Board of Directors of the Group.

BESRA GOLD INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED 31 DECEMBER
2022

(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.

Interim Consolidated Statement of Financial Position

in USD	Notes	As at 31 December 2022	As at 30 June 2022
ASSETS			
<i>Current</i>			
Cash and cash equivalents		2,174,692	865,336
Cash held in trust	13	1,327,451	-
Tax and other receivables		23,251	19,727
Prepaid expenses		61	3
		3,525,455	885,066
<i>Non-current</i>			
Property plant and equipment		233	639
Exploration & evaluation	4	19,712,475	18,916,447
		19,712,728	18,917,086
TOTAL ASSETS		23,238,163	19,802,152
LIABILITIES			
<i>Current</i>			
Trade and other payables	5	668,766	512,887
Loans and borrowings	6	168,079	181,969
		836,845	694,856
<i>Non-current</i>			
Loans and borrowings	6	-	49,500
TOTAL LIABILITIES		836,845	744,356
EQUITY			
Issued capital	7	186,576,700	182,816,338
Reserves	8	1,318,617	1,318,617
Deficit		(164,559,572)	(164,145,312)
		23,335,745	19,989,643
Non-controlling interest		(934,427)	(931,847)
TOTAL EQUITY		22,401,318	19,057,796
TOTAL LIABILITIES AND EQUITY		23,238,163	19,802,152

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

BESRA GOLD INC.

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

in USD	Note	Three Months to 31 December		Six Months to 31 December	
		2022	2021	2022	2021
Corporate and administrative expense		(241,526)	(604,214)	(439,901)	(943,888)
Gain on settlement of debts	3	29,808	(320,589)	29,808	2,738,130
Exploration expense		(7,039)	156,090	(7,039)	103,381
Depreciation and amortization		326	(3,600)	-	(7,200)
Finance costs recovered (charged)		37,262	(291,164)	(57)	425,241
Derivative fair value revaluation	3	-	-	-	593,230
Fair value loss on settlement of loans	3	-	(4,609,328)	-	(4,608,328)
Finance income		313	-	349	-
Share based payments	8	-	(2,707,000)	-	(2,707,000)
(LOSS) BEFORE INCOME TAX		(180,856)	(8,379,845)	(416,840)	(4,407,434)
Income tax (recovery)		-	-	-	-
(LOSS) FOR THE PERIOD		(180,856)	(8,379,845)	(416,840)	(4,407,434)
COMPREHENSIVE (LOSS) FOR THE PERIOD		(180,856)	(8,379,845)	(416,840)	(4,407,434)
Comprehensive profit (loss) for the period attributable to:					
Shareholders of the parent		(204,372)	(8,390,800)	(414,260)	(4,414,691)
Non-controlling interests		23,516	10,955	(2,580)	7,257
Basic and diluted (loss) per share	9	(0.001)	(0.028)	(0.002)	(0.015)

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

BESRA GOLD INC.

Interim Consolidated Statement of Cash Flows

in USD	Notes	Six Months Ended 31 December 2022	Six Months Ended 31 December 2021
OPERATING ACTIVITIES			
Comprehensive (loss) for the period		(416,840)	(4,407,434)
<i>Items not affecting Cash</i>			
Gain on settlement of debts		(29,808)	(2,738,130)
Depreciation & amortization		406	7,200
Fair value on settlement of loans		-	4,609,328
Finances costs (recovered) charged		-	(869,676)
Foreign exchange adjustments		370	(75,293)
Derivative revaluation		-	(593,230)
Share based payments	8	-	2,707,000
<i>Changes in non-cash working capital balances</i>			
Trade and other receivables and other financial assets		(3,582)	23,005
Trade and other payables		36,039	(1,515,610)
Cash used in operating activities		(408,415)	(2,852,840)
INVESTING ACTIVITIES			
Exploration and evaluation costs	4	(646,380)	(336,426)
Cash used in investing activities		(646,380)	(336,426)
FINANCING ACTIVITIES			
Proceeds from issue of share capital	7	3,760,362	7,383,122
Proceeds from financing loan		-	398,548
Repayment of loans		(63,390)	(1,176,396)
Cash provided by financing activities		3,696,972	6,605,674
Increase in cash during the period		2,642,177	1,416,408
Cash - beginning of the period		865,336	11,146
Effect of exchange rates on cash		(5,370)	41,309
Cash - end of the period		3,502,143	1,448,863

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

BESRA GOLD INC.

Interim Consolidated Statement of Changes in Equity

in USD	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2022	182,816,338	1,318,617	(164,145,312)	(931,847)	19,057,796
Issue of share capital	4,076,336	-	-	-	4,076,336
Share issue costs	(315,974)	-	-	-	(315,974)
Total contributions from owners	186,576,700	1,318,617	(164,145,312)	(931,847)	22,818,158
Total comprehensive (loss)	-	-	(414,260)	(2,580)	(416,840)
Balance at 31 December 2022	186,576,700	1,318,617	(164,559,572)	(934,427)	22,401,318
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)
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

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

BESRA GOLD INC.

Notes to the Condensed Interim Consolidated Statements⁶

1. Background and Nature of Business

During the financial years ended 30 June 2021 and 2022 and for the period ended 31 December 2022, the business of Besra Gold Inc. and subsidiaries ('Besra' or 'the Company') consisted of interests in mining tenements and applications within the Malaysian State of Sarawak and principally the Bau Gold Project ('Bau').

The 30 December 2022 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc.

2. General Information

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.

3. Basis of Preparation & Significant Accounting Policies

Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with International Accounting Standards "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 2022 and any public announcements made during the interim reporting period.

Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's latest annual financial statements for the year ended 30 June 2022.

These policies have been applied consistently to all financial periods presented, unless otherwise stated.

Historical cost convention

The interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which 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.

Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions that affect the application of accounting policies and the reported net assets and financial results. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are continually reviewed based on historical experience and reasonable expectations of future events.

The accounting estimates, judgements and assumptions applied in these interim financial statements are in accordance with those that were applied and disclosed in the annual financial statements for the year ended 30 June 2022, unless otherwise stated.

The forgiveness of debts and loans and derivative fair values recognised in the comparative financial statements were effected on the restructure of the Group in the prior reporting period.

New standards not yet adopted by the Group

The Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

There are no new standards and interpretations in issue which are mandatory for 31 December 2022 reporting periods that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Going Concern

These interim consolidated financial statements for the period to 31 December 2022 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.

During the six-month period ended 31 December 2022, the Group made a loss of \$416,840, had cash outflows from operating and investing activities of \$1,054,795 and financing cash inflows of \$3,696,972. At 31 December 2022, the Group's current liabilities exceeded its current assets by \$2,738,108.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern but acknowledge that additional capital will be required to fund the exploration program and therefore it is appropriate to adopt the going concern basis in preparation of the financial statements. The aforementioned factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

If additional capital is not obtained as required, then the going concern basis may not be appropriate, with the result being that the Group may not realise its assets and extinguish its liabilities in the ordinary course of business, and at amounts different from those stated in the nine-month financial report.

Basis of Consolidation

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

Company Name	Jurisdiction	Ownership % 31 Dec 2022	Ownership % 31 Dec 2021
Fort Street Admin Limited (formerly Besra 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
Besra Australia Pty Limited	Australia	100.0	n/a

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 2022 and 2021 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.

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.

4. Exploration & Evaluation

in USD	6 Months Ended 31 December 2022	Year Ended 30 June 2022
Opening Balance	18,916,447	17,506,422
Additions	792,028	1,410,025
Closing Balance	19,712,475	18,916,447
Cost	52,982,475	52,186,447
Accumulated impairment	(33,270,000)	(33,270,000)
Closing Balance	19,712,475	18,916,447

The Group's major asset is the 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").

Pursuant to International Financial Reporting Standard IFRS 6: Exploration for and Evaluation of Mineral Resources the Group has elected to capitalise its exploration expenditures as incurred. The Group reviews its capitalised expenditure by tenement on an ongoing basis to assess whether there are any impairment indicators that may suggest that the carrying amount exceeds the recoverable amount.

Management have determined that upon completion of the above test for impairment that no impairment is required.

5. Trade & Other Payables

in USD	As at 31 December 2022	As at 30 June 2022
Trade payables	535,219	400,532
Taxes and government fees	79,277	45,612
Accruals and other payables	54,270	66,743
Total	668,766	512,887

6. Loans and Borrowings

in USD	As at 31 December 2022	As at 30 June 2022
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Current Liabilities		
Other current indebtedness (unsecured)	168,079	181,969
Non-current Liabilities		
Other current indebtedness (unsecured)	-	49,500
Total	168,079	231,469

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.

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 expiring April 28th 2023.

7. Issued Capital

Common Shares and Chess Depository Interest (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. Each CDI is the equivalent of 1 Common Share.

Year ended 30 June 2022 and period ending 31 December 2022

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 6)	32,500,000	4,778,150
Issue of CDIs to IPO investors on ASX listing	50,218,484	7,383,122
Issue costs	-	(580,579)
Balance 30 June 2022	294,130,529	182,816,338
Issue of CDI's for Share Placement	11,111,111	624,939
Issue of CDI's for Rights Issue	101,748,155	3,451,397
Issue costs	-	(315,974)
Balance 31 December 2022 of shares and CDIs	406,989,795	186,576,700
Balance 31 December 2022 of shares	4,818,622	
Balance 31 December 2022 of CDIs	402,171,173	
Balance 31 December 2022 of shares and CDIs	406,989,795	

On 10 October 2022 Besra issued 11,111,111 new CDIs to Quantum Metal Recovery Inc ("Quantum"), a substantial shareholder of the Company, to raise A\$1,000,000. The CDIs were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1 at an issue price of A\$0.09 per CDI and ranked equally with existing fully paid CDIs on issue.

On 25 November 2022 the Company had a 1 for 3 Non-Renounceable Entitlement Offer of CDIs at A\$0.05 per CDI to raise approximately A\$5.1m (before costs) ("Entitlement Offer"). The Entitlement

Offer was fully underwritten by Quantum Metal Recovery Inc, and was successfully closed 3 January 2023. Fundraising costs in relation to the Entitlement Offer are recognised in equity.

8. Share based payments

During the period the Company did not issue or redeem any options or performance rights issued in previous reporting periods.

Movements in share options and performance rights

Movements in share options and performance rights held by directors and employees during the reporting period

in USD	No. of Options and Rights	Weighted average exercise price
Options and Performance Rights		
Balance at 30 June 2022	20,642,275	\$0.21
Granted and vested during the period	-	-
Granted and not vested during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at 31 December 2022	20,642,275	\$0.21
Exercisable at 31 December 2022	4,797,425	\$0.30

During the year ending 30 June 2022

in USD	No. of Options and Rights	Weighted average exercise price
Options and Performance Rights		
Balance at start of Year	-	-
Granted and vested during the year	4,797,425	\$0.30
Granted and not vested during the year	15,844,850	\$0.18
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 30 June 2022	20,642,275	\$0.21
Exercisable at 30 June 2022	4,797,425	\$0.30

The weighted average remaining contractual life of the share options and performance rights at the end of the year was 3.0 years (2022: 3.2 years)

None of the options or performance rights were forfeited, lapsed or were exercised during the period.

Share options and performance rights outstanding at the end of the period

Share options and performance rights issued and outstanding at the end of the period

in AUD	31 December 2022		30 June 2022	
	Exercise Price	Number	Exercise Price	Number
Broker options	\$A0.25	4,642,275	\$A0.25	4,642,275

Class A Incentive options	\$A0.30	3,625,000	\$A0.30	3,625,000
Class B Incentive options	\$A0.30	3,625,000	\$A0.30	3,625,000
Bonus options	\$A0.25	2,500,000	\$A0.25	2,500,000
Class A Performance Rights	nil	2,600,000	nil	2,600,000
Class B Performance Rights	nil	2,600,000	nil	2,600,000
Total Outstanding	\$A0.21	20,642,275	\$A0.21	20,642,275

Share Based Payments Reserve

in USD	As at 31 December 2022	As at 30 June 2021
Balance as at start	1,318,617	-
Share options	-	687,070
Performance rights	-	631,547
Closing Balance	1,318,617	1,318,617

The fair value of the Share Options is 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.

9. (Loss) Per Share

in USD	Three Months to 31 December		Six Months to 31 December	
	2022	2021	2022	2021
Basic (loss) per share attributable to Equity Owners:				
(Loss) for the period	(204,372)	(8,390,800)	(414,260)	(4,414,691)
Weighted average number of common shares outstanding	294,130,529	294,130,529	294,130,529	294,130,529
Basic profit (loss) per share	(0.001)	(0.028)	(0.002)	(0.015)

Basic (loss) per share is calculated by dividing the (loss) for each reporting period attributable to the equity owners of Besra by the weighted average number of common shares outstanding for the period. The comparative basic and diluted loss per share for the prior year has been recalculated based on the current weighted average number of shares outstanding for consistency.

Diluted loss per share is based on basic loss per share adjusted for the potential dilution if shares held in escrow are transferred and warrants are exercised or options and performance rights 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.

10. 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	
	2022	2021	2022	2021
Management fees and salary expense	183,175	178,319	274,965	278,069

11. 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, is paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term of the agreement to July 2023. The agreement may be extended on terms mutually agreed between the parties.

Contingencies

There are no contingencies for the period to December 31, 2022 (2021: \$nil).

12. 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.

13. Events After the Reporting Date

On 3 January 2023 the Company sought application for the quotation of 101,748,155 CDIs at a price of \$0.05 each after the successful completion of the Entitlement Offer. This resulted in an increase of the Quoted CDIs to 353,861,888.

At 31 December 2022 \$A1,950,157 was held in trust by Computershare Investor Services Pty Ltd on behalf of the Company. With the terms of the Entitlement Offer satisfied, the funds held on trust were released to the Company, increasing its cash and cash equivalents to \$A5.038m as at 3 January 2023.

No other matters or circumstances have arisen since 31 December 2022 which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.