



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

For the 12 months ended 30 June 2023

### 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 twelve months comprising the 2022-2023 financial year ("Reporting Period"), including its financial condition and 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. It is current as at 30 June 2023 and has been approved on 25<sup>th</sup> October 2023 by the Audit Committee (and Board of Directors) of the Company.

This MD&A both supplements and complements the Group's Consolidated Financial Statements for the 12 months ending 30 June 2023. 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 and/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 2023 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 12 months ending 30 June 2023 and the subsequent period up to the date of its issue. Additional information relating to the Group is available at [www.sedar.com](http://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<sup>1</sup> 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 1,340km<sup>2</sup> of Sarawak; the Bau Gold Project (consisting of Blocks A and B), Rawan and Serian (Block C) areas. The Bau Gold Project has identified JORC (2012) Resources across a number of discrete deposits of Measured 3.4 Mt @ 1.5g/t Au for 166.9koz, Indicated 16.4 Mt @ 1.57g/t Au for 824.8 koz and Inferred 47.9 Mt @ 1.29 g/t Au for 1,989 koz. In addition, the Project has a global Exploration Target ranging between 4.9 Moz and 9.3 Moz<sup>2,3</sup> (on a 100% basis). 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, and on 22 February 2023 Ms Jocelyn Bennett was appointed as a non-executive Director and Chair of the Besra Board of Directors.

On 3 April 2023 the Company announced the appointment of Mr Michael Higginson as Company Secretary, to replace Ms Eryn Kestel.

Dr Raymond Shaw agreed to step down from the position of Chief Executive Officer to that of Chief Technical Officer on 9 May 2023.

Otherwise, during the Reporting Period there had been no changes in Key Personnel<sup>4</sup>.

### **Property Description & Location**

Besra’s Bau Gold Project is located 30km-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. Besra’s activities during the Reporting Period focus entirely on Blocks A & B.

As shown in Figure 2, below page 6, the capital of Sarawak, Kuching, 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.

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<sup>1</sup> Bumiputra is a term used in Malaysia to describe Malays, the Orang Asli of Peninsular Malaysia, and various indigenous peoples of East Malaysia.

<sup>2</sup> Refer Prospectus dated 8 July 2021, Section 3.11 and Attachment G.

<sup>3</sup> 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.

<sup>4</sup> Refer also Subsequent Events below.

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

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 of the primary vegetation to make way for agriculture and historical gold mining pursuits. Limestone quarrying is a major contributor to the local community and there remains a strong recognition that mining operations are, and can become, a greater source of employment, particularly since the closure of the last operating gold mine, at Tai Parit, in 1996.

The State Government of Sarawak's environmental standards, primarily administered through the Natural Resources & Environment Board, are consistent with those of most developing economies and the State Government is acutely aware of the need to foster its identified six key economic drivers (which includes the mining sector) with sustainable environmental practices and community expectations. This is fully acknowledged and supported by Besra through implementation of its own ESG practices.

With its proximity to Bau township and 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;
- Less than 1 hour drive from Kuching on all weather sealed roads;
- 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.

### **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; and
- 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 1 shows the relative ownership interests in NBG.

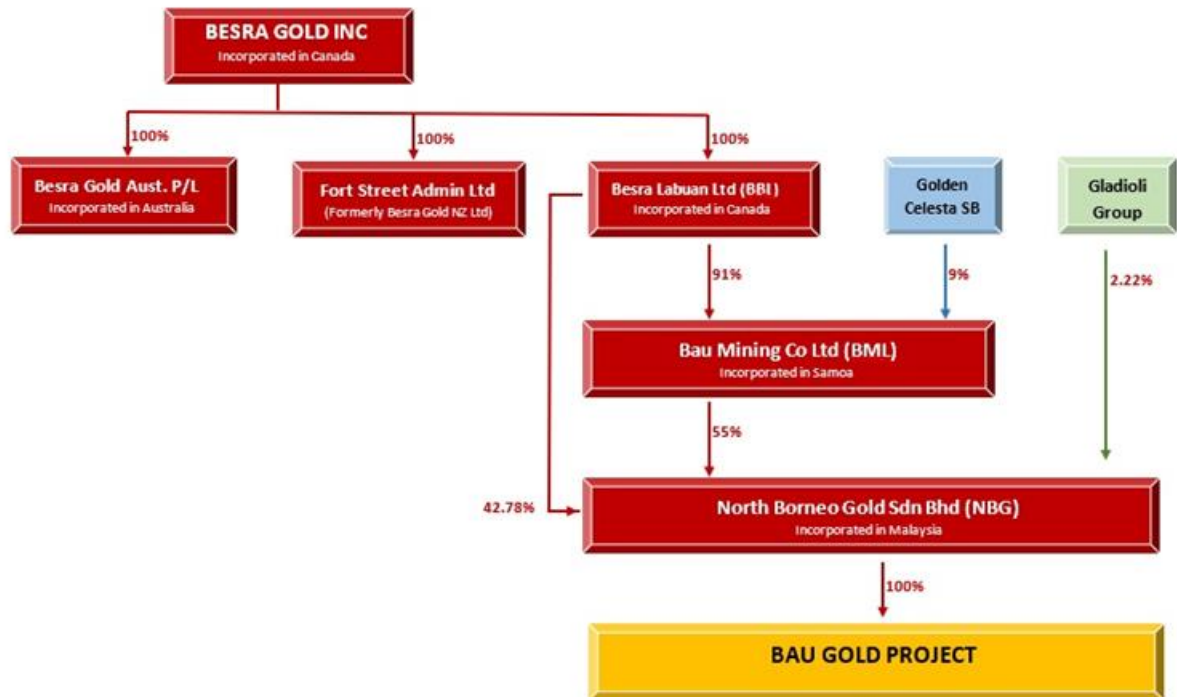


Figure 1

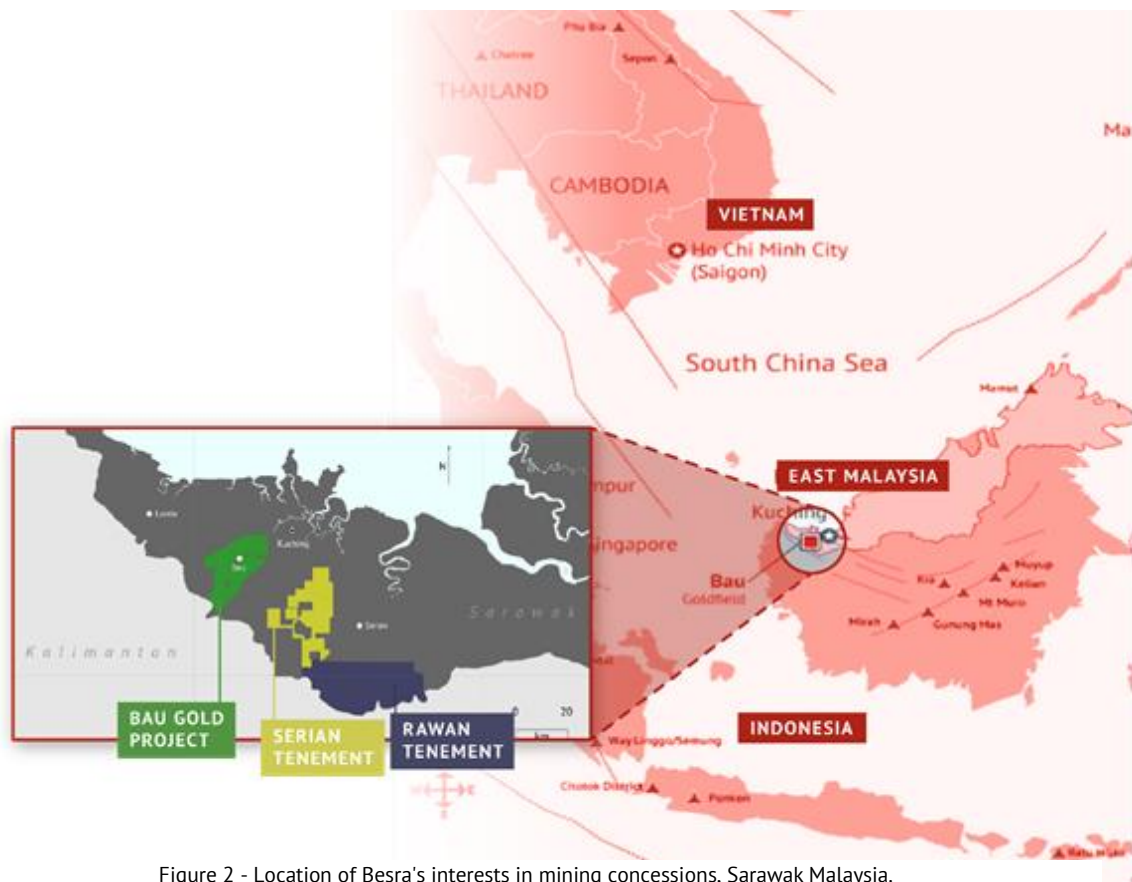


Figure 2 - Location of Besra's interests in mining concessions, Sarawak Malaysia.

### Exploration and Development Activities

During the twelve months ending 30 June 2023, Besra's Exploration and Development Activities were primarily focused on the Bekajang and Jugan projects, details of which are outlined in the following sections.

#### Bekajang Project

The Bekajang Project lies along a very prospective trend that includes two historical gold mines. The Bukit Young Gold pit (BYG) was mined until September 1992 and, according to mine records, produced some 440,926 tonnes at a grade of 4.51 g/t Au. The nearby Tai Parit mine 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 associated with the development of these mines and subsequent drilling along trend provided the basis for a substantial JORC 2012 compliant Resource inventory at Bekajang, which as at 2018 comprised<sup>5</sup>:

- 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<sup>6</sup> of 0.50 – 0.80 Moz @ 2.0 – 3.0 g/t Au, respectively.

<sup>5</sup> (refer to the Company's Prospectus dated 8 July 2021 – Section 3.11)

<sup>6</sup> The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the production target itself will be realised.

The initial Bekajang drilling program was completed in early August 2022 with BKHHD-29 & -30 drilled for a total of 362m. In total this program consisted of 21 fully cored holes (including two redrills because of poor ground conditions) for a total of 1,410m. The drilling program was suspended until the backlog of drill core assaying was completed and results integrated into the forward drilling program.

That forward “follow-up” drilling program commenced on 29 December 2022. It involved drilling a further 14 fully cored holes (BKDDH-31 to -43, 45, inclusive), for a total of 1,450m. The locations of these drill holes were specifically designed to delineate possible extensions of the exceptionally high gold grade interval intercepted during the first round of drilling in 2022, specifically the interval between 58m-71m in BKDDH-27 (ASX Release on 22 November 2022<sup>7</sup>). These locations were focused on the northern flank of the Bekajang tailings dam. The results of this follow-up drilling were released to the market on 6 September 2023 (Refer Subsequent Events).

- **Assaying**

During the Reporting Period gold assay results were received for BKDDH-12 to -27, inclusive, drilled during the initial Bekajang program up to August 2022 (Figure 4). As shown in Table 2, these included some exceptional high grade gold mineralisation 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	<b>1.26</b>
BKDDH-12	LSC	4.0	7.0	3.0	<b>3.13</b>
BKDDH-13	LSC	0	1.0	1	<b>2.08</b>
BKDDH-13	LSC	7.0	10.6	3.6	<b>14.68</b>
Including		12.3	13.6	1.3	<b>37.00</b>
Including		9.0	10.0	1.0	<b>37.20</b>
BKDDH-14A	LSC	6.0	12.7	6.7	<b>3.34</b>
BKDDH-14A	LSC	21.0	24.0	3.0	<b>4.65</b>
BKDDH-15	LSC	13.7	14.4	0.70	<b>14.10</b>
BKDDH-16	LSC	18.0	22.2	1.42	<b>4.20</b>
BKDDH-18	LSC	2.4	4.8	2.40	<b>2.35</b>
BKDDH-18	LSC	28.4	29.3	0.90	<b>1.73</b>
BKDDH-18	LSC	33.0	35.0	2.00	<b>1.19</b>
BKDDH-18	LSC	41.0	44.1	3.10	<b>1.20</b>
BKDDH-19	LSC	38.7	43.0	4.3	<b>0.81</b>
BKDDH-22	LSC	9.0	12.75	3.75	<b>0.77</b>
BKDDH-23	LSC	1.0	9.0	8	<b>1.35</b>
BKDDH-23	LSC	19.4	28.0	8.6	<b>17.71</b>
including		19.4	20.0	0.6	<b>30.40</b>
Including		20.0	20.8	0.8	<b>103.0</b>
BKDDH-25	Bau Deep	65.0	68.7	3.7	<b>0.86</b>
BKDDH-25	Bau Deep	71.6	76.0	4.4	<b>0.82</b>
BKDDH-25	Bau Deep	86.0	86.9	0.9	<b>3.17</b>
BKDDH-26	Bau Deep	48.0	50.0	2.0	<b>0.73</b>
BKDDH-27	LSC	0	2.0	2.0	<b>1.20</b>

<sup>7</sup> “Exceptional High & Bonanza Grade Gold Intercepts Upgrade Bekajang’s Potential”, Besra ASX Release 22 Nov 2022.

BKDDH-27	LSC	8.0	17.7	9.7	<b>7.09</b>
Including		15.1	16.0	0.9	<b>39.3</b>
BKDDH-27	Bau Deep	40.3	42.0	1.7	<b>8.81</b>
BKDDH-27	Bau Deep	43.6	45.0	1.4	<b>4.49</b>
BKDDH-27	Bau Deep	53.9	56.1	2.2	<b>3.90</b>
BKDDH-27	Bau Deep	58.4	71.0	12.6	<b>22.91</b>
Including		60.5	61.0	0.5	<b>209.00</b>
Including		61.0	62.0	1.0	<b>64.00</b>
Including		62.0	63.0	1.0	<b>15.90</b>
Including		63.0	64.0	1.0	<b>31.80</b>
Including		64.0	65.0	1.0	<b>22.30</b>
Including		67.0	68.0	1.0	<b>14.10</b>
BKDDH-28	Bau Deep	<i>Results Pending</i>			
BKDDH-29	Bau Deep	<i>Results Pending</i>			
BKDDH-30	Bau Deep	<i>Results Pending</i>			

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 near the top of the Bau Limestone, overlying units (predominantly Pedawan Formation shales and mudstones, and also clay dominated lithologies of unspecified age - "Z" lithologies - often intruded or replaced by dacite dykes. Endowment at these stratigraphic levels is traditionally referred to as the LSC (Limestone Shale Contact) target.

Besra's 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. It has been speculated that there may be a deeper structural component to this area's traditional 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.

The results of BKDDH-27 highlight the potential of a very significant higher grade understorey of mineral endowment, separate and distinct from that at the overlying LSC level. Exceptional high gold grades intercepted within the underlying Bau Limestone over the interval 58.4m-71m of BKDDH-27 (Table 1), included some of the highest (>200 g/t Au) documented since modern exploration commenced within the Bau Gold Field corridor. Together with the very rare occurrence of visible gold, this was the motivation for undertaking the follow-up drilling round during H1 of 2023.

One interpretation is that BKDDH-27 had intercepted portion of a conduit or feeder system that had facilitated upward access of hydrothermal fluids through the Bau Limestone where it sourced the gold mineralisation endowment at the overlying LSC interval. 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 a highly unusual occurrence within 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 includes some of the highest documented since modern exploration commenced within the Bau Gold Field corridor.

The follow-up drilling program has confirmed that those zones exhibiting the most intense exoskarn development and hydrothermal alteration are associated with the highest assayed gold grades, some in excess of 10g/t Au. These zones occur within brecciated and veined limestone intervals cemented by fine grained silica, sulphides and jasperoid replacement, located between ~30m-60m depth. The follow-up



drilling also confirmed the continuity and tenor of gold mineralisation within the overlying and coincident LSC interval (Table 2).

The coincidence of at least two levels of gold mineralisation gives impetus to a further, drilling program to identify the source and geometry of the associated hydrothermal conduit system(s) which facilitated this local “multi-storey” endowment.

Based on these results Chemsain Konsultants Sdn Bhd has been engaged to undertake an Environmental Impact Assessment (EIA) of Bekajang, in order for Besra to commence mining activities for representative bulk sampling and conduct processing studies at Besra’s Jugan Pilot Plant, once commissioned. This plant lies approximately 6 km to the NE and is connected by all-weather roads.

**Table 2** - Summary of new significant intercepts from the second. “follow-up” round of the Bekajang drilling program.

<b>Drill Hole</b>	<b>Primary Target</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Av Au grade (g/t)</b>
BKDDH-32	<i>LSC</i>	13.8	15.8	2.0	<b>6.73</b>
BKDDH-32	<i>Deep Bau</i>	36.0	40.5	4.5	0.81
BKDDH-32	<i>Deep Bau</i>	42.0	44.7	2.7	1.08
BKDDH-32	<i>Deep Bau</i>	47.9	49.0	1.1	1.17
BKDDH-32	<i>Deep Bau</i>	50.6	59.5	8.9	2.43
BKDDH-33	<i>Deep Bau</i>	71.0	72.0	1.0	0.54
BKDDH-34	<i>Deep Bau</i>	87.0	88.0	1.0	0.83
BKDDH-36	<i>Deep Bau</i>	33.7	36.0	2.3	1.03
BKDDH-36	<i>Deep Bau</i>	40.7	41.7	1.0	<b>10.70</b>
BKDDH-36	<i>Deep Bau</i>	45.3	46.3	1.0	<b>5.60</b>
BKDDH-37	<i>LSC</i>	6.9	8.00	1.1	<b>6.25</b>
BKDDH-37	<i>LSC</i>	13.0	14.0	1.0	0.61
BKDDH-37	<i>LSC</i>	14.6	17.0	2.4	0.81
BKDDH-37	<i>Deep Bau</i>	32.0	34.0	2.0	0.73
BKDDH-37	<i>Deep Bau</i>	36.2	41.3	5.1	2.31
BKDDH-37	<i>Deep Bau</i>	45.9	50.0	4.1	1.67
BKDDH-37	<i>Deep Bau</i>	51.7	60.0	8.3	1.33
BKDDH-38	<i>LSC</i>	0.0	4.0	4.0	1.14
BKDDH-38	<i>LSC</i>	6.8	8.0	1.2	1.22
BKDDH-38	<i>LSC</i>	10.0	11.6	1.6	0.56
BKDDH-38	<i>LSC</i>	15.0	20.5	5.5	3.60
BKDDH-39	<i>Deep Bau</i>	44.0	46.8	2.8	0.66
BKDDH-39	<i>Deep Bau</i>	56.6	58.1	1.5	<b>13.03</b>
BKDDH-40	<i>LSC</i>	0.0	8.0	8.0	1.01
BKDDH-40	<i>LSC</i>	9.00	10.0	1.0	0.51
BKDDH-40	<i>Deep Bau</i>	31.5	35.3	3.8	2.05
BKDDH-40	<i>Deep Bau</i>	38.3	39.3	1.0	1.89

BKDDH-40	<i>Deep Bau</i>	40.7	46.9	6.2	3.35
BKDDH-40	<i>Deep Bau</i>	49.8	58.3	8.5	2.12
BKDDH-41	<i>LSC</i>	0.0	3.0	3.0	2.62
BKDDH-41	<i>LSC</i>	5.0	8.9	3.9	1.58
BKDDH-41	<i>LSC</i>	19.0	20.7	1.7	1.72
BKDDH-41	<i>Deep Bau</i>	29.5	30.5	1.0	0.51
BKDDH-41	<i>Deep Bau</i>	31.5	32.9	1.4	<b>14.21</b>
BKDDH-41	<i>Deep Bau</i>	35.3	38.7	3.4	1.94
BKDDH-41	<i>Deep Bau</i>	41.8	42.9	1.1	2.38
BKDDH-41	<i>Deep Bau</i>	44.1	45.9	1.8	1.04
BKDDH-42	<i>LSC</i>	14.8	15.8	1.0	<b>5.34</b>
BKDDH-43	<i>LSC</i>	19.0	21.2	2.2	0.96
BKDDH-43	<i>LSC</i>	23.0	31.7	8.7	1.66
BKDDH-43	<i>Deep Bau</i>	35.0	36.0	1.0	0.78

To summarise, the coincidence of at least two levels of gold mineralisation gives impetus to a further drilling program to identify the source and geometry of the associated hydrothermal conduit system(s) which facilitated this local “multi-storey” endowment.

### 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<sup>3</sup> which comprises:

- Measured + Indicated Resource of 870,000 Oz at 1.5 g/t Au;
- Inferred Resource of 90,000 Oz at 1.6 g/t Au; and
- Additional Exploration Target<sup>4</sup>, of 2.0 – 3.2 Moz at 1.8 – 2.5 g/t Au.

### Assaying

No new drilling was completed at Jugan during the Reporting Period however the assay results for JUDDH-95 to -99 were release to the market on 16 August 2022<sup>8</sup> and 21 October 2022.<sup>9</sup>

**The tabulation of intercept thicknesses are** estimated based on 0.5 g/t Au cut-off and 1 m, or less, of internal dilution.

**Table 3** - Summary of new significant intercepts from the

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

<sup>8</sup> ASX Release 16 August 2022 “Thick gold intercepts in deepest Jugan drilling confirms mineralisation model”.

<sup>9</sup> ASX Release 21 October 2022 “Final Drilling Results Further Endorse Jugan’s Potential”.

	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
<b>JUDDH-95</b>	<b>0</b>	<b>45</b>	<b>45</b>	<b>1.76</b>
<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>
<b>JUDDH-98</b>	<b>0</b>	<b>22</b>	<b>22</b>	<b>2.60</b>
<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>
	<b>26</b>	<b>43</b>	<b>17</b>	<b>1.46</b>
	<b>45</b>	<b>74</b>	<b>29</b>	<b>2.88</b>
<i>Including</i>	<i>65</i>	<i>71</i>	<i>6</i>	<i>7.12</i>
	<b>76</b>	<b>83</b>	<b>7</b>	<b>1.71</b>

- **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 current program, also provided exploratory control on the potential development of deeper mineralisation, testing the concept of whether there may be multiple intervals of mineralisation associated with a 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.

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 near the crest of 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. JUDDH-98 confirmed the lateral extension to Jugan's main body of mineralisation, from that 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.

- **Metallurgical Studies**

During the Reporting Period both ZJH Minerals Company Ltd of Xinyang China and Yantai-Jinpeng Manufacturing continued to undertake test work as a preliminary to the design of a proposed Pilot Plant at Jugan. Draft design work was completed during the Reporting Period.

- **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 was undertaken by a Sarawak-based firm, Chemsain Konsultants Sdn Bhd within 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 Natural Resources and Environment Board of Sarawak approved the EIA<sup>10</sup> in April 2023.

At the end of the Reporting Period the EIA, together with the ancillary documentation relating to mine rehabilitation and details of the pilot plant specifications (in compliant format) and detailed surveyed boundaries of the licences were being prepared for lodgement with the Lands & Surveys Department of the Ministry of Natural Resources and Urban Development for approval to commence “mining activities” within ML 01/2013/1D. In the interim, activities are being undertaken in accordance with the Early Commencement Works authorisation granted by the NREB in December 2022.

During the Reporting Period KTA (Sarawak) Sdn Bhd (Sarawak’s largest engineering company) was engaged to provide Project Management during the build and commissioning of the Jugan Pilot Plant.

- **Regional Studies**

During H1 2023 a study of regional metallogenic zonation, as a guide to mineralisation extensions within the Bau corridor, was completed by Dr Gregg Morrison and Mr Harry Mustard. Using the very significant historical data base of elemental analyses the maximum z-score method was used to identify domains with consistent elemental endowment.

The study revealed a classical metal elemental zonation pattern for the hydrothermal system within the Bau corridor across most prospects. To a large part the distribution of Te, Mo, Cu, Bi, Au, Tl, Zn, Ag, Pb, As, Sb & Hg reflects spatial distribution relative to the heat source. The study has helped understand the distribution of the mineralisation styles and the impact of associated intrusives and faulting on the distribution of mineral endowment. As a follow-up to the occurrence of free gold observed in BKDDH-27 in an interval of bonanza grade, conditions for the occurrence of non-refractory gold have been identified that will assist in future drilling program development across a number of key prospect areas.

- **Capital Raising Facility**

On 25 November 2022 the Company announced that it was to undertake a capital raising through a Non-Renounceable Entitlement Offer of new CDIs to Eligible Security Holders to raise approximately A\$5.1m before costs through an a fully underwritten entitlement of one CDI (New CDIs) for every three CDIs or three Common Shares (Securities) held. There was also a right to participate in a Short-Fall facility. The Entitlement Offer comprised the issue of 101,747,213 New CDIs (adjusted to 101,748,155 for rounding) at the Offer Price of A\$0.05 per New CDI. The Entitlement Offer was fully underwritten by Quantum Metal Recovery Inc (Quantum).

The Company received valid applications under the Entitlement Offer for approximately 40,796,723 New CDIs for approximately A\$2,039,836 (before costs) as well as an additional 14,025,324 New CDIs under the Shortfall Facility for approximately A\$701,266.20 (before costs). Combined this represented an overall

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<sup>10</sup> ASX Announcement 24 May 2023 “Environmental Impact Assessment approved”.

53.90% take up of the Entitlement Offer. The balance of the New CDIs that were not subscribed for by Eligible Securityholders were subscribed for by Quantum pursuant to the Underwriting Agreement.

- **Gold Offtake Purchase Facility**

As also disclosed on 25 November 2022, during the Reporting Period the Company has been involved in negotiations 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 4 April 2023 the Company announced the receipt of an 'Initial Payment' of US\$2m, from Quantum in accordance with the non-binding term sheet for the US\$300m Facility that was announced to the ASX on 21 March 2023. On 9 May 2023 Besra announced that its Malaysian subsidiary North Borneo Gold Sdn Bhd (NBG) had entered into a legally binding Gold Purchase Agreement (GPA) with Quantum which gave effect to the non-binding term sheet announced on 21 March 2023.

Under the terms of the GPA, the Company has agreed to sell to Quantum a quantity of refined gold from Bau (or any other gold project owned by the Company or its subsidiaries at any time) until:

- (i) 3,000,000 ounces of refined gold has been received by Quantum; or
- (ii) aggregate deposits in an amount equivalent to US\$300,000,000 (the Facility) have been received by the Company from Quantum.

In addition to providing future substantial funding, this facility was expected to remove the need for dilutive equity financing and project/corporate debt encumbering Besra with hedging requirements and/or onerous covenants and is expected to be delivered at up to US\$10m per month.

The facility was conditional upon a number of Conditions Precedent being satisfied within 85 business days of the execution date of the GPA, including shareholder approvals. As outlined in the Subsequent Events section, the facility was approved at a Special General Meeting of Shareholders, held on 25 July 2023 and the Conditions Precedent were met on 13<sup>th</sup> September 2023.

- **Outlook**

During the next Reporting Period the Group intends to construct, commission and commence operations at its pilot plant at Jugan. This will provide vital metallurgical information of representative bulk samples of Jugan ore which, in turn, will provide input for the Final Feasibility Studies for the commercialisation of the Jugan Project. Activity on this Final Feasibility Study (FFS) will be undertaken with a target for completion by the end of calendar year 2024. Based on the previous 2012 Feasibility Study this FFS will incorporate up to date capital, operating and commodity price parameters with revised mine development modelling so that a decision for go-head commercialisation of the Jugan deposit can be then confidentially made.

Likewise, drilling activity for Resource delineation at other projects will be ramped up particularly at Bekajang and Pejiru. Bulk testing of representative ore from these sites may be processed through the Jugan Pilot Plant. With the funding availability from the GPA, several rigs are anticipated to be involved in this Resource delineation program.

To summarise, the next Reporting Period will include not only activities to finalise the pre-development decision-making for Jugan, but also contemporaneous drilling to enhance the overall Resource and Reserve inventory at a number of projects within the Bau corridor.

To achieve this it is expected that there will also be a significant increase in employees and or contractors to ensure timely deliverables and on-going compliance.

## Corporate

- Overall Highlights

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 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 ranked equally with existing fully paid CDIs on issue. Proceeds are to be 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 \$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 will 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 is proposed that it will provide up to US\$300 million in financial support, commencing as soon as CY2023, 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 currently proposed that stream deliveries would be based on gold production from Bau, with Besra to receive 90% of the spot gold price for each ounce delivered subject to a monthly cap. While no agreement had then been reached, any agreement would be subject to Besra Board, shareholder and regulatory approval including compliance with ASX listing rules.

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.

Refer also to the section on the Gold Purchase Facility under Contractual Obligations and Commitments.

### Corporate and Administrative Expense

in USD	3 Months to 30 June		12 months to 30 June	
	2023	2022	2023	2022
Professional & Consulting Fees	28,980	61,539	280,430	487,323
Management & Administration	114,842	112,240	341,938	406,262
Listing Costs	13,568	(75,958)	53,597	141,385
Fundraising Costs	595,848	462,780	595,848	462,780
Office & Facilities	186,198	193,539	349,529	373,361
Insurance	11,587	15,263	39,233	47,537
Directors Fees	25,924	42,598	137,460	163,233
	976,947	812,001	1,798,035	2,082,281

### Bau Project Exploration and Evaluation Expenditure Detail

in USD	30 June	
	2023	2022
Exploration Consulting	-	30,076
Deferred Exploration	21,063,866	18,916,447
Property, Plant and Equipment	160	639

Deferred Exploration during the Reporting Period amounting to \$2,022,577 relating primarily to exploration activity within the Jugan and Bekajang project areas.

### Summary of Assets Held

As at 30 June 2023 total assets amounted to \$21,861,127 including its exploration and evaluation assets of \$21,063,866, being the Bau Gold Project. Total liabilities amounted to \$988,280.

### Liquidity & Capital Resources

On 30 June 2023, the Group had cash on hand of \$757,208 (2022: \$863,336) and working capital deficit of \$191,181 (2022 a surplus of \$191,210).

Cash used in operating activities was \$1,399,036 for the 12 months to 30 June 2023 (2022: \$4,321,895). The investing cash expenditure for the 12 months was \$2,022,577 on exploration and evaluation costs (2022: \$1,249,713) at Bau Gold Project.

During the period \$3,334,643 (2022: \$6,478,896) of additional funds were raised together with share capital of \$3,566,112 (2022: \$7,383,122) to fund ongoing working capital and to repay existing loans of \$231,649 (2022: \$1,303,174).

### Related Party Disclosure

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

Company Name	Jurisdiction	Ownership % 30 June 2023	Ownership % 30 June 2022
Fort Street Admin Ltd (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	Malaysia	100.0	100.0
Besra Gold Australia Pty Ltd	Australia	100.0	100.0

Related parties of the Group are considered to be Key Management and Directors.

#### *Key Management and Directors*

in USD	3 Months to 30 June		12 Months to 30 June	
	2023	2022	2023	2022
Short term employee benefits			576,495	364,495
Post-employment benefits	-	-	-	-
Long-term benefits	-	-	-	-
Share based payments	-	-	-	1,025,799

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

### **Contractual Obligations and Commitments**

#### *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 A\$250,000 per annum was paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term.

The final tranche under the Consultancy Agreement was paid on 9 July 2023. The agreement may be extended on terms mutually agreed between the parties, as yet this has not occurred.

#### *Gold Purchase Facility*

As discussed earlier, on 8 May 2023, the Company announced that it and its wholly owned Malaysian subsidiary, North Borneo Gold Sdn Bhd (NBG), had entered into a legally binding agreement, named the Gold Purchase Agreement ('GPA and/or the Facility') with the Company's major shareholder, Quantum, giving effect to the non-binding term sheet announced on 21 March 2023. Following the satisfaction of the GPA's conditions precedent, Besra has access to a funding schedule to allow it to advance the Bau Project. The key terms under the GPA include:

- Up to 3m ounce gold offtake purchase facility for JORC-2012 gold mineral resources at the Reference Price, less 10%;
- The Reference Price is set at the time of each drawdown and is the 5-day average of the London Metal Market gold price in US\$ per troy ounce and is subject to a floor price of 117.5% of All in Sustaining Costs ('AISC' being the all-in sustaining cost to produce an ounce of gold, including general and overhead administration, depreciation and amortisation of capital, the cost of exploration to replace



mined ounces as more particularly described in the World Gold Council Guidance Note on Non-GAAP Metrics) at the time of delivery (“Floor Price”);

- Up to US\$300m is to be made available to Besra by way of Quantum paying Besra a 5% deposit of the Reference Price on future gold production of up to 3m ounce;
- Subject to drawdowns under the Facility occurring, funding will be available to Besra at the rate of up to US\$10m per month to be paid into a drawdown account (“Drawdown Account”) controlled by Besra, with an initial US\$2m upon execution of the Term Sheet and another US\$3m upon execution of the Facility Agreement, subject to certain conditions including shareholder approval;
- Quantum to secure rights to acquire a part of Besra’s future gold production, in relation to the specific amounts received in the Drawdown Account;
- A ‘Delivery payment’ to Besra of the remaining 85% of the Reference Price (being the discount of 10% and less the 5% prepaid deposit) at the time of delivery to Quantum of allocated ounces covered by the prior deposit payment;
- Deliveries to Quantum are to be made from all gold produced up to 25,000 ounces, 80% of all gold produced from 25,001 to 120,000 ounces and thereafter 65% of all gold produced (collectively “Delivery Ounces”), leaving 35% of gold production unassigned;
- Any funds raised under the Facility are to be used for construction, commissioning and operation of mine site plant and associated infrastructure, renewal of mining leases, feasibility studies, exploration and mining activities, M&A, gold treasury activities, Besra corporate and working capital purposes;
- Besra to grant in favour of Quantum a first ranking charge over the Drawdown Account and the Delivery Ounces and certain other pieces of security in relation to NBG (the “Security”); and
- No recourse to Besra should the Bau Project fail.

On 23 May 2023, the Company announced the payment of a further US\$3m by Quantum representing the balance of the Initial Deposit of \$5m. These funds were received on 25 July 2023.

The conditions precedent set out in the GPA were met as of 13 September 2023, and as such the Facility is now operational.

### Selected Annual Information

in USD	Year Ended 30 June 2023	Year Ended 30 June 2022	Year Ended 30 June 2021
Revenue	-	-	-
Profit (loss) & comprehensive profit (loss)	(1,152,362)	(3,984,227)	1,977,662
Comprehensive profit (loss) attributable to shareholders of the parent	(1,151,171)	(3,922,478)	1,981,359
Basic and Diluted profit (loss) per share	(0.003)	(0.018)	0.007
Total Assets	21,861,127	19,802,152	17,564,800
Total Liabilities	(988,280)	(744,356)	(32,362,224)
Total Equity	20,872,847	19,057,796	14,797,424

## 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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Profit (loss)	(363,973)	(371,550)	(180,855)	(235,984)	926,599	(503,392)	(8,379,845)	(3,972,411)
Profit (Loss) per share	(0.001)	(0.001)	(0.001)	(0.001)	0.003	(0.002)	(0.025)	(0.012)

There was no Revenue earned during any of the quarters.

The variance in Net profit Income for the Reporting 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

#### *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 as part of the listing on the ASX. Each CDI is the equivalent of 1 Common Share.

Year ended 30 June 2023 and Period to 16 October 2023<sup>11</sup>

in USD	Number of Common Shares and CDIs	Amount
Balance 30 June 2022	294,130,529	182,816,338
Issue of CDIs for Share Placement	11,111,111	624,939
Issue of CDIs for rights Issue	101,748,155	3,451,397
Issue costs	-	(510,224)
<b>Balance 30 June 2023 of Shares and CDIs</b>	<b>406,989,795</b>	<b>186,382,450</b>
Issue of CDIs for Share Placement	<b>11,111,111</b>	<b>641,671</b>
<b>Balance 16 October 2023 of Shares and CDIs</b>	<b>418,100,906</b>	<b>187,024,121</b>
Balance 16 October 2023 of Shares	2,672,522	
Balance 16 October 2023 of CDIs	415,428,348	
<b>Balance 16 October 2023 of Shares and CDIs</b>	<b>418,100,870</b>	

Year ended 30 June 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	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)
<b>Balance 30 June 2022 of Shares and CDIs</b>	<b>294,130,529</b>	<b>182,816,338</b>
Balance 30 June 2022 of shares	4,818,622	
Balance 30 June 2022 of CDIs	289,311,907	
<b>Balance 30 June 2022 of shares and CDIs</b>	<b>294,130,529</b>	

### 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 2023.

### 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.

<sup>11</sup> Refer Subsequent Events. On October 8, 2023 escrow conditions expired on 53,127,907 CDIs, increasing the total number of CDIs quoted on the ASX from 364,972,999 to 418,100,906.

## 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

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and policies. The nature of the Group's operations exposes it to a broad range of risks relating to financial risk, market risk, commodity risk, and geopolitical risk. During the Reporting Period the development of Quantum Metals as a substantial and now largest shareholder of the Group, and the subsequent approval of the GPA (Refer Subsequent Events) has significantly adjusted the risk profiles of both geopolitical (sovereign) risk and financial risk. Both are now considered to be materially reduced given that Quantum and its principals are a well-established in Malaysia and Besra has received its first US\$10 mil instalment under the GPA. Whilst this agreement remains on foot it greatly reduces the reliance and uncertainty of relying upon future shareholder or third-party funding, such as through equity or project financing.

**Sovereign (Political) Risk:** The Group's mining concession interests are all located in Eastern Malaysia. As such, the Group is subject to political, economic and other uncertainties, including, but not limited to, changes in policies and regulations or the personnel administering them, changes with regard to foreign ownership of property rights, exchange controls and royalty and tax increases, and other risks arising out of foreign governmental sovereignty over the areas in which the Group's operations are to be conducted, as well as risks of loss due to civil strife, acts of war and insurrections. If a dispute arises regarding the Group's property interests, the Group may not rely on western legal standards in defending or advancing its interests.

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

**Commodity & Currency Exchange Price Risk:** The price of gold is affected by numerous factors beyond the control of the Group including central bank sales, producer hedging activities, the relative exchange rate of the US\$ with other major currencies, demand, political and economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The prices of other metals and mineral products for which the Group may explore all have the same or similar price risk factors. In respect to the GPA there is built in risk management to prevent obligations to deliver gold to Quantum at a loss by virtue of a contractual floor price.

**Reserves & Resources Risk:** The Group's resources and reserves estimates are subject to uncertainty. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss, and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred resources will be converted to measured and indicated categories through further drilling, or into mineral reserves once economic considerations are applied. The Group's mineral resources and mineral reserves are estimates based on a number of assumptions, any adverse changes could require the Group to lower its mineral resource and mineral reserve estimates. There is no certainty that any of the mineral resources or mineral reserves disclosed by the Group will be realized or that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that reserves can be mined or processed profitably. Until a deposit is actually mined and processed, the quantity and grades of mineral resources and mineral reserves must be considered as estimates only. Valid estimates made at a given

time may significantly change when new information becomes available. Any material changes in the quantity of mineral resources or mineral reserves, grade or stripping ratio may affect the economic viability of the Group's properties. There can also be no assurance that any discoveries of new or additional reserves will be made. Any material reductions in estimates of mineral resources or mineral reserves could have a material adverse effect on the Group's results of operations and financial condition.

**Stock & Shareholder Risk:** The Group's stock price could be volatile. The market price of the Group's common shares, like that of the common shares of many other natural resource companies, has been and is likely to remain volatile. Results of exploration and mining activities, the price of gold and silver, future operating results, changes in estimates of the Group's performance by securities analysts, market conditions for natural resource shares in general, and other factors beyond the control of the Group, could cause a significant decline in the market price of the Group's common shares and results in the need to revalue derivative liabilities. Future sales of common shares by existing shareholders could decrease the trading price of the common shares. Sales of large quantities of the common shares in the public markets or the potential of such sales could decrease the trading price of the common shares and could impair the Group's ability to raise capital through future sales of common shares. The Group does not plan to pay any dividends in the foreseeable future. The Group has not paid a dividend in the past and it is unlikely that the Group will declare or pay a dividend for the foreseeable future. The declaration, amount and date of distribution of any dividends in the future will be decided by the Board of Directors from time-to-time, based upon, and subject to, the Group's earnings, financial requirements, loan covenants and other conditions prevailing at the time. Shareholders could suffer dilution of the value of their investment if the Group issues additional shares. There are a number of outstanding securities and agreements pursuant to which common shares or CDIs may be issued including pursuant to the Convertible Notes, stock options and warrants. If these shares are issued, this may result in further dilution to the Group's shareholders.

### **Subsequent events**

The following events occurred after balance date, June 30, 2023:

Besra, through NBG, has contracted several technical and professional groups to undertake surveys and reviews as part of the proposed Jugan Pilot Plant Pre-development activities. These studies are either completed or WIP at the time of this Report.

- Detailed high resolution topographical surveying for civil earthworks and drainage management Resource Survey Services of Kuching.
- Baseline soil and water sampling by Envisar Sdn Bhd of Kuching.
- Flora survey and management plan.
- Fauna survey and management plan.
- Sedimentation and Erosion Control Management Planning by Ambiente Hajau Sdn Bhd.
- Tailings storage design by TailsCon Projects, Perth Western Australia.
- Pit Design and layout review – Snowden Optiro, Perth Western Australia.

Besra, through NBG, also signed a contract for Yantai Jingpeng Mining Machinery Co. Ltd of Yantai China to provide processing equipment, its freight, fabrication and commissioning on site for an approximate cost of US\$1.2mil.

- 11 October 2023 the Company announced receipt of US\$10,000,000 from Quantum Metal Recovery Inc in accordance with the terms and conditions US\$300 million Gold Purchase Agreement (GPA).

- 10 October 2023 the Company sought application for quotation of additional securities was disclosed to the ASX following the lifting of escrow conditions on 53,127,907 CDI securities. This increased the total number of CDI securities quoted on the ASX to 418,100,906.
- 4 October 2023 the appointment of two of Quantum's representatives to the board; Dato' Lim Khong Soon as Executive Chair (on a non-fulltime basis) and Mr Chang Loong Lee as a Non-Executive Director of the Company. Contemporaneously Mr Paul Ingram resigned as a Non-Executive Director.
- 3 October 2023 the announcement of the termination with Pangaea to acquire NBG Shares.
- 20 September 2023 the satisfaction of all conditions precedent in accordance with the GPA.
- 6,7 September 2023 drilling confirms the presence of multi-storey mineralisation at Bekajang.
- 2 August 2023, resignation of Ms Jocelyn Bennett as Chair and director of the Company.
- 26 July 2023 Besra received US\$5,000,000 'Initial Payment', from Quantum pursuant to the GPA following the approval by shareholders of the US\$300,000,000 drawdown facility (Facility) at the Special General Meeting of Shareholders.
- 25 July 2023 Besra's shareholders approved the GPA in which Quantum would provide a US\$300,000,000 gold offtake drawdown facility.

No other matters or circumstances have arisen since the end of the financial 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, save for the following announcements released to the Australian Securities Exchange and SEDAR.

Date	ASX Releases
12/10/2023	Change in substantial holding
11/10/2023	US\$10,000,000 received from Quantum.
10/10/2023	Application for quotation of Securities
4/10/2023	Initial Director's Interest Notice - CL Lee
4/10/2023	Initial Director's Interest Notice - Dato Lim
4/10/2023	Final Director's Interest Notice
3/10/2023	Cancel - Proposed issue of securities - BEZ
3/10/2023	Termination of agreement to acquire NBG shares
29/09/2023	Full Year Statutory Accounts
28/09/2023	Board Re-Structure
27/09/2023	Release of securities from escrow
20/09/2023	Change in substantial holding
20/09/2023	US\$300m Facility - Conditions Precedent Satisfied
18/09/2023	Details of Share Registry address
14/09/2023	Change in substantial holding
7/09/2023	Amended - drilling confirms Bekajang Multi-Storey Endowment
6/09/2023	Bekajang drilling confirms 'Multi-Storey' gold endowment
5/09/2023	Statement of CDIs on issue - BEZ
29/08/2023	Change in substantial holding
22/08/2023	Change in substantial holding
18/08/2023	Section 708A Notice
18/08/2023	Application for quotation of securities - BEZ
16/08/2023	Response to ASX Query Letter

7/08/2023 Statement of CDIs on issue - BEZ  
2/08/2023 Director Appointment/Resignation  
2/08/2023 Final Director's Interest Notice  
2/08/2023 Director Appointment/Resignation  
1/08/2023 Trading Halt  
1/08/2023 Pause in Trading  
31/07/2023 Quarterly Activities Report  
31/07/2023 Appendix5B Quarterly Cash Flow Report  
31/07/2023 Change in substantial holding

### **Approval of the MD&A**

This MD&A has been prepared by management with an effective date of 25<sup>th</sup> October 2023.

The MD&A and the Audited Consolidated Financial Statements for the 12 months ended 30 June 2023 were approved by the Board of Directors of the Group.

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**BESRA GOLD INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 30 JUNE 2023 AND 30 JUNE 2022**  
**(IN UNITED STATES DOLLARS)**





## BESRA GOLD INC.

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# CORPORATE DIRECTORY

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## **DIRECTORS**

Mr. John Seton, Executive Director, Chair  
Mr. Jon Morda, Non-Executive  
Mr. Paul Ingram, Non-Executive  
Mr. Rob Dunne, Non-Executive, resigned 18 November 2022  
Ms. Jocelyn Bennett, Non-Executive Chair, appointed 22 February 2023, resigned 1 August 2023.  
Mr. Andrew Worland, Non-Executive Chair, resigned 13 December 2022  
Mr. Mark Eaton, Non-Executive, resigned 18 November 2022

## **COMPANY SECRETARY**

Mr Mike Higginson, appointed 3 April 2023  
Ms. Eryn Kestrel, resigned 3 April 2023

## **REGISTERED OFFICE**

67 Yonge St. Suite 701, Toronto  
Ontario, Canada

## **PRINCIPAL PLACE OF BUSINESS**

45 Ventnor Avenue, West Perth  
Western Australia, Australia 6005  
Email: [info@besra.com](mailto:info@besra.com)  
Web: [www.besra.com](http://www.besra.com)

## **AUDITOR**

Grant Thornton Audit Pty Ltd  
Level 43, Central Park 152-158 St Georges Terrace  
Perth, WA 6000

## **SHARE REGISTRY**

Computershare Share Registry  
Level 17, 221 St Georges Terrace  
Perth WA 6000, Australia

## **SECURITIES EXCHANGE LISTING**

The Company is listed on the Australian Securities Exchange Ltd ("ASX")  
ASX Code: BEZ

## CORPORATE STATEMENT

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### Substantial Share Holders

Rank	Name	CDIs	% Units
1	Quantum Metal Recovery Inc	129,438,256	29.88
2	Pangaea Resources Limited	49,936,214	11.94
3	Citicorp Nominees Pty Ltd	46,328,623	11.08
3	HSBC Custodial Nominees (Australia) Ltd	27,985,161	6.67

### Place of Incorporation

Besra Gold Inc was incorporated under the laws of the Province of Ontario, Canada.

### Takeover Provisions

Besra Gold Inc is not subject to chapters 6, A, 6B and 6C of the Corporations Act dealing with the acquisition of its shares (including substantial holdings and takeovers).

### No Limitations

There are no limitations on the acquisition of securities imposed by Canadian laws or regulations.

There are no limitations on the acquisition of securities imposed under Besra Gold Inc's Articles of Association.

This statement is signed on behalf of the Directors by:



Executive Director  
29 September 2023

## Auditor's Independence Declaration

### To the Directors of Besra Gold Inc.

As lead auditor of the audit of Besra Gold Inc. for the year ended 30 June 2023 I declare that, to the best of my knowledge and belief, there are no contraventions of the auditor independence requirements of the Australian Code of Ethics for Professional Accountants (including Independence Standards), issued by the Australian Professional and Ethics Board (APES) in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B P Steedman  
Partner – Audit & Assurance  
Perth, 29 September 2023

**BESRA GOLD INC.****Consolidated Statement of Financial Position**

in USD	Notes	As at 30 June 2023	As at 30 June 2022
<b>ASSETS</b>			
<i>Current</i>			
Cash and cash equivalents	4	757,208	865,336
Trade and other receivables		37,943	19,727
Prepaid expenses		1,950	3
		<b>797,101</b>	<b>885,066</b>
<i>Non-current</i>			
Property plant and equipment		160	639
Exploration & evaluation	5	21,063,866	18,916,447
		<b>21,064,026</b>	<b>18,917,086</b>
<b>TOTAL ASSETS</b>		<b>21,861,127</b>	<b>19,802,152</b>
<b>LIABILITIES</b>			
<i>Current</i>			
Trade and other payables	6	988,280	512,887
Loans and borrowings	7	-	181,969
		<b>988,280</b>	<b>694,856</b>
<i>Non-current</i>			
Loans and borrowings	7	-	49,500
		-	<b>49,500</b>
<b>TOTAL LIABILITIES</b>		<b>988,280</b>	<b>744,356</b>
<b>NET ASSETS</b>		<b>20,872,847</b>	<b>19,057,796</b>
<b>EQUITY</b>			
Issued capital	9	186,382,450	182,816,338
Reserves	11	719,918	1,318,617
Accumulated losses	13	(165,296,483)	(164,145,312)
		21,805,885	19,989,643
Non-controlling interest		(933,038)	(931,847)
<b>TOTAL EQUITY</b>		<b>20,872,847</b>	<b>19,057,796</b>

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

**BESRA GOLD INC.****Consolidated Statement of Profit  
and Loss and Comprehensive Profit and Loss**

in USD	Notes	Year ended 30 June	
		2023	2022
Interest received		7,678	48
Gain of settlement of trade creditors		40,506	2,807,597
Corporate and administrative expenses		(1,798,035)	(2,082,281)
Exploration		-	(30,076)
Depreciation and amortisation		(479)	(13,596)
Finance costs		(731)	(219,249)
Derivative fair value revaluation		-	593,230
Loss on settlement of financial liabilities		-	(3,721,283)
Share based payments	10	598,699	(1,318,617)
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,152,362)</b>	<b>(3,984,227)</b>
Income tax	8	-	-
<b>LOSS FOR THE YEAR</b>		<b>(1,152,362)</b>	<b>(3,984,227)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,152,362)</b>	<b>(3,984,227)</b>
Loss for the year attributable to:			
Shareholders of the parent		(1,151,171)	(3,922,478)
Non-controlling interests		(1,191)	(61,749)
		<b>(1,152,362)</b>	<b>(3,984,227)</b>
Basic and diluted loss per share	12	(0.003)	(0.018)

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

**BESRA GOLD INC.****Consolidated Statement of Cash Flows**

in USD	Notes	Year Ended 30 June 2023	Year Ended 30 June 2022
<b>OPERATING ACTIVITIES</b>			
Total Comprehensive Loss for the year		(1,152,362)	(3,984,227)
<i>Items not affecting cash</i>			
Gain of settlement of trade creditors		(40,506)	(2,807,597)
Depreciation & amortisation		479	13,596
Loss on settlement of financial liabilities		-	3,721,283
Finances costs			18,369
Foreign exchange		(76,819)	19,114
Derivative revaluation		-	(593,230)
Share based payments	10	(598,699)	1,318,617
<i>Changes in non-cash working capital balances</i>			
Trade and other receivables and other financial assets		(20,163)	13,267
Trade and other payables		489,034	(2,041,087)
<b>Cash used in operating activities</b>		<b>(1,399,036)</b>	<b>(4,321,895)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation costs		(2,022,577)	(1,249,713)
<b>Cash used in investing activities</b>		<b>(2,022,577)</b>	<b>(1,249,713)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital	9	3,566,112	7,383,122
Proceeds from financing loans		-	398,948
Repayment of loans		(231,469)	(1,303,174)
<b>Cash provided by financing activities</b>		<b>3,334,643</b>	<b>6,478,896</b>
(Decrease) Increase in cash during the year		(86,970)	907,288
<b>Cash - beginning of the year</b>		<b>865,336</b>	<b>11,146</b>
Effect of exchange rate on cash		(21,158)	(53,098)
<b>Cash - end of the year</b>		<b>757,208</b>	<b>865,336</b>

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

**BESRA GOLD INC.****Consolidated Statement of Changes in Equity**

in USD	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
<b>Balance at 1 July 2022</b>	<b>182,816,338</b>	<b>1,318,617</b>	<b>(164,145,312)</b>	<b>(931,847)</b>	<b>19,057,796</b>
Contributions from owners					
Issue of share capital	4,076,336	-	-	-	4,076,336
Share issue costs	(510,224)	-	-	-	(510,224)
Total contributions from owners	186,382,450	1,318,617	(164,145,312)	(931,847)	22,623,908
Share based payments	-	(598,699)	-	-	(598,699)
Total comprehensive loss for the year	-	-	(1,151,171)	(1,191)	(1,152,362)
<b>Balance at 30 June 2023</b>	<b>186,382,450</b>	<b>719,918</b>	<b>(165,296,483)</b>	<b>(933,038)</b>	<b>20,872,847</b>
<b>Balance at 1 July 2021</b>	<b>141,517,358</b>	<b>-</b>	<b>(154,874,482)</b>	<b>(1,440,300)</b>	<b>(14,797,424)</b>
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	-	(154,874,482)	(1,440,300)	26,501,556
Share based payments	-	1,318,617	-	-	1,318,617
Acquisition of Minority Interest	-	-	(5,348,352)	570,202	(4,778,150)
Total comprehensive loss for the year	-	-	(3,922,478)	(61,749)	(3,984,227)
<b>Balance at 30 June 2022</b>	<b>182,816,338</b>	<b>1,318,617</b>	<b>(164,145,312)</b>	<b>(931,847)</b>	<b>19,057,796</b>

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



## **BESRA GOLD INC.**

### Notes to the Consolidated Financial Statements

#### **1. Background and Nature of Business**

During the financial year ended 30 June 2023, 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 June 2023 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**

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board. These financial statements were authorised by the Directors of the Company on 29 September 2023.

##### **Historical cost convention**

The consolidated 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 consolidated 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 the consolidated 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.

##### **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 30 June 2023 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.

## Accounting Policies

### *Going Concern*

These consolidated financial statements for the year ended 30 June 2023 have been prepared on a going concern basis which assumes that the Company and the entities (“Group”) it controls will be able to realise its assets and discharge its liabilities in the normal course of business.

During the year ended 30 June 2023, the Group made a loss of \$1,152,362, had cash outflows from operating activities of \$1,399,036 and investing activities of \$2,022,577 and financing cash inflows of \$3,334,643. At 30 June 2023, the Group’s current liabilities exceeded its current assets by \$191,179.

On 8 May 2023 the Group entered into a binding Gold Purchase Agreement (GPA) with Quantum Metal Recovery Inc (Quantum). The key terms of this agreement are set out in note 16 to the financial statements. This agreement is expected to provide the Company with required cash flows to develop the Bau gold project. Under terms of the GPA Quantum will provide funding, through contract notes, to develop the Bau gold project, and the Group will have obligations to provide gold bullion at future dates to repay the contract note liabilities. The Directors believe that the GPA provides reasonably foreseeable assurance that the Group will continue as a going concern and therefore it is appropriate to adopt the going concern basis in preparation of the financial statements. The Directors acknowledge that if the Group is unable to complete development of the Bau gold project for any reason, which may include quality of resources, capability to design and build the gold processing plant to meet technical processing requirements within available funding, or the Quantum funding is not advanced to the Group, then the Group will be unable to fulfil its obligations to deliver gold or cash into the contract note liabilities, without raising additional funding or capital. The foregoing indicates a material uncertainty about the ability of the Group to continue as a going concern.

If the Group is unable to continue as a going concern, it may be required to realise its assets and /or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. The financial report does not include adjustments to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group not continue as a going concern.

### *Foreign Currency Transactions and Balances*

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

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

### *Exploration and Evaluation Expenditure*

The recoverability of the carrying amount of exploration and evaluation expenditure carried forward has been reviewed by the Directors. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest. The Company reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

### *Impairment of Exploration and Evaluation assets*

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

The evaluation considers:

- the period of the right to explore, its expiry date and whether it is expected to be renewed;
- any substantive expenditure on further exploration or evaluation that is not budgeted or planned;
- whether any exploration has resulted in resources in a specific area not having commercially viable quantities of mineral resources and further activity will be discontinued in that area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances determine that the carrying amount of the exploration area of interest may exceed the recoverable amount of the assets the exploration asset is impaired.

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

Reversals of impairment losses are recognised in profit or loss with the Consolidated Statement of Profit or Loss and other comprehensive income in the period the reversals occur.

#### *Share-based payments*

The Company provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted (refer note 10). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of basic and diluted loss per share.

The Company provides benefits to employees of the Company in the form of performance rights. The Company values performance rights by reference to its best available estimate of the number of performance rights it expects to vest and revises that estimate, if necessary, if subsequent information indicates that the number of performance rights expected to vest differs from previous estimates. The Directors have determined that it is not likely that the milestones will be achieved.

The Company measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted.

#### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of associated GST (Australia and New Zealand), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated

inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

#### *Cash and Cash Equivalents*

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

#### *Financial Instruments Recognition, Initial Measurement and Derecognition*

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

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

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

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

- amortised cost;
- fair value through profit or loss ('FVTPL'); or
- fair value through other comprehensive income ('FVOCI').

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

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

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

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

#### *Fair Values*

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

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3: Unobservable inputs for the asset or liability. Inputs into the determination of the fair value require management judgment or estimation.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Changes to valuation methods may result in transfers into or out of an investment's assigned level.

#### *Employee Entitlements*

Liabilities are recognised for short-term employee entitlements, on an undiscounted basis, for services rendered by employees that remain unpaid at each reporting date in the Consolidated Statement of Financial Position.

#### *Termination Benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

#### *Current tax*

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

#### *Deferred tax*

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

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

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realised, or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom

#### *Ordinary Share Capital*

Ordinary shares issued by the Company are recorded at the net proceeds received, which is the fair value of the consideration received less costs that are incurred in connection with the share issue.

### *Loss per share*

Basic loss per share is calculated by dividing the net profit or loss available to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated using the treasury method of calculating the weighted average number of common shares outstanding, except the if-converted method is used in assessing the dilution impact of convertible notes. The treasury method assumes that outstanding options and performance rights with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average price of the common shares for the period. The if-converted method assumes that all convertible notes have been converted in determining diluted loss per share if they are in-the-money except where such conversion would be anti-dilutive.

### *Significant Judgements, Estimates & Assumptions*

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Estimates:

- Assessment of whether the exploration and evaluation intangible asset is impaired. The future recoverability of the exploration and evaluation asset is dependent on a number of key factors such as gold price and determination of reserves. As the Group is only in the exploration phase of operations the Directors apply the criteria of IFRS 6.20: Exploration for and Evaluation of Mineral Resources.
- Fair value determination of financial instruments carried at fair value. Derivative financial instruments are recorded in the Consolidated Statement of Financial Position at values that are representative of or approximate their fair value. The fair value of derivatives requires application of the most appropriate valuation model which is dependent on the terms and conditions of the instrument.

### *Basis of Consolidation*

The 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 % 30 June 2023	Ownership % 30 June 2022
Fort Street Admin Ltd (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	97.8
Besra Labuan Ltd	Malaysia	100.0	100.0
Besra Gold Australia Pty Ltd	Australia	100.0	100.0

#### 4. Cash and Cash Equivalents

in USD	Year Ended 30 June 2023	Year Ended 30 June 2022
Cash at bank	757,208	865,336
	<b>757,208</b>	<b>865,336</b>

Cash and cash equivalents include cash on hand, deposits held at call and other short term highly liquid investments with maturities of three months or less. The Group's exposure to interest rate risk is set out in Note 17. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents set out above.

#### 5. Exploration & Evaluation

in USD	Year Ended 30 June 2023	Year Ended 30 June 2022
Opening Balance	18,916,447	17,506,422
Additions	2,147,419	1,410,025
<b>Closing Balance</b>	<b>21,063,866</b>	<b>18,916,447</b>

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 recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Management have determined that upon review for indicators of impairment that no such indicators exist and therefore, no impairment test of exploration assets is required.

#### 6. Trade & Other Payables

in USD	As at 30 June 2023	As at 30 June 2022
Trade payables	579,744	400,532
Taxes and government fees	9,626	45,612
Accruals and other payables	398,910	66,743
<b>Total</b>	<b>988,280</b>	<b>512,887</b>

## 7. Loans and Borrowings

in USD	As at 30 June 2023	As at 30 June 2022
<b>Current Liabilities</b>		
Other current indebtedness (unsecured)	-	181,969
<b>Non-current Liabilities</b>		
Other current indebtedness (unsecured)	-	49,500
<b>Total</b>	<b>-</b>	<b>231,469</b>

### *Other current and non-current indebtedness (unsecured)*

Included in other current indebtedness (unsecured) are the financing arrangements entered into by the Company to meet its working capital needs and have been repaid during the current year.

## 8. Income Tax

in USD	As at 30 June 2023	As at 30 June 2022
<b>Statement of Profit or Loss and Other Comprehensive Profit and Loss</b>		
<i>Current income tax</i>		
Income tax expense	-	-
Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense/(benefit) at the Group's effective income tax is as follows:

Accounting profit/(Loss) before income tax	(1,152,362)	(3,984,227)
Tax at statutory tax rate of 26.5% (2022:26.5%)	(305,376)	(1,055,820)
Share based payments	(158,655)	349,434
Expenditure not allowed for income tax purposes	14,203	1,077,150
Capitalised expenditure deductible for tax purposes	(569,066)	(373,657)
Net deferred tax not recognised	1,018,894	(21,329)
<b>Income Tax expense</b>	<b>-</b>	<b>-</b>

### *Unrecognised Tax Losses/Unrecognised Deductible Temporary Differences*

The Group has unrecognised 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 recognised 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 US\$94,270,630 and will variously expire twenty years after the year in which the respective loss was incurred. Tax losses are also available in New Zealand of NZ\$493,009 and Malaysia of MYR100,417,004



## 9. 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 as part of the listing on the ASX. Each CDI is the equivalent of 1 Common Share.

Year ended 30 June 2023

in USD	Number of Common Shares and CDIs	Amount
Balance 30 June 2022	294,130,529	182,816,338
Issue of CDIs for Share Placement	11,111,111	624,939
Issue of CDIs for rights Issue	101,748,155	3,451,397
Issue costs	-	(510,224)
<b>Balance 30 June 2023 of Shares and CDIs</b>	<b>406,989,795</b>	<b>186,382,450</b>
Balance 30 June 2023 of shares	3,653,141	
Balance 30 June 2023 of CDIs	403,336,654	
<b>Balance 30 June 2023 of shares and CDIs</b>	<b>406,989,795</b>	
CDIs restricted at year end	53,127,907 included above.	

Year ended 30 June 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	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)
<b>Balance 30 June 2022 of Shares and CDIs</b>	<b>294,130,529</b>	<b>182,816,338</b>
Balance 30 June 2022 of shares	4,818,622	
Balance 30 June 2022 of CDIs	289,311,907	
<b>Balance 30 June 2022 of shares and CDIs</b>	<b>294,130,529</b>	

## 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.

Each option or performance right converts into one ordinary share on exercise. No amounts are paid or payable by the recipient on receipt of the option or performance right. They carry neither rights to dividends nor voting rights.

The Lead Manager Options and Broker Options have an expiry date four years after issue and an exercise price of A\$0.25. The Class A and Class B Incentive Options have an expiry date five years after the issue date and an exercise price of A\$0.30 and A\$0.40 respectively. One-third of the Incentive Options vested on grant, one-third vested twelve months after grant and one-third will vest twenty-four months after

grant. The Bonus Options have an expiry date four years after issue and an exercise price of \$A0.25. The Performance Rights granted have a nil exercise price but only vest if certain resource targets are met within two years for the Class A and three years for the Class B Performance Rights.

The Class A Performance Rights will vest upon 4 million ounces Resource being achieved at the Bau Gold Project within two years of listing, or if a sale of the project occurs or upon a change of control.

The Class B Performance Rights will vest upon 5 million ounces Resource being achieved at the Bau Gold Project within three years of listing, or upon completion of a feasibility study on the Bau Gold Project which evidences an IRR in excess of 30% using publicly available spot commodity pricing and verifiable industry assumptions, or if a sale of the project occurs or upon a change of control.

The following share-based payment arrangements were in existence during the reporting period and the prior year.

### Options

The following options were in existence during the reporting period and the prior year. No options were granted during the year ended 30 June 2023.

	Lead Manager Options	Broker Options	Bonus Options	Class A Incentive Options	Class B Incentive Options
Exercise price	A\$0.25	A\$0.25	A\$0.25	A\$0.30	A\$0.40
Grant date	8 October 2021	8 October 2021	8 October 2021	8 October 2021	8 October 2021
Expiry date	7 October 2025	7 October 2025	7 October 2025	7 October 2026	7 October 2026
Life in years	4	4	4	5	5
Volatility	84.4%	84.4%	84.4%	78.7%	78.7%
Risk free rate	0.52%	0.52%	0.52%	0.78%	0.78%
Number	3,017,275	1,625,000	2,500,000	3,625,000	3,625,000
Value per option at grant date	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05

### Performance rights

The following performance rights were in existence during the reporting period and the prior year. No performance rights were granted during the year ended 30 June 2023. The Class A and Class B Performance Rights were revalued to nil value at 30 June 2023 as management determined the vesting conditions set out above will not be met and it is expected the performance rights will lapse. The performance rights had nonmarket vesting conditions on the grant date and were fully expensed in the 2022 financial year as it was expected the vesting conditions would be met. As a result, the expense of \$598,699 recognised in the 2022 financial year has been reversed in the current financial year.

	Class A Rights	Class B Rights
Exercise price	nil	nil
Grant date	8 October 2021	8 October 2021
Expiry date	7 October 2023	7 October 2024
Life in years	2	3

Volatility	82.5%	90.4%
Risk free rate	0.01%	0.27%
Number	2,600,000	3,650,000
Value per right at grant date	\$0.10	\$0.10

#### Fair value of share options and performance rights granted during the year

No share options or performance rights were issued during the year ended 30 June 2023.

During the year ended 30 June 2022 the Company issued 33,062,609 options and performance rights. The fair value of the options is measured using the Black Scholes model. The value of the options and rights is based on a number of judgements and estimates including the share price, the timing of the exercise of the options and that no dividends will be paid prior to their exercise. The Company values performance rights by reference to its best available estimate of the number of performance rights it expects to vest and revises that estimate if subsequent information indicates that the number of performance rights expected to vest differs from previous estimates.

The model inputs for the options and performance rights granted during the year ended 30 June 2022 are set out in the tables above. None of the options or performance rights issued had service conditions.

#### Movements in share options and performance rights

Movements in share options and performance rights held by directors and employees during the year ended 30 June 2023.

in USD	No. of Options and Rights	Weighted average exercise price
<b>Options and Performance Rights</b>		
Balance at start of Year	20,642,275	\$0.21
Granted and vested during the year	-	-
Granted and not vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
<b>Outstanding at Year End</b>	<b>20,642,275</b>	<b>\$0.21</b>
<b>Exercisable at year end</b>	<b>9,594,850</b>	<b>\$0.30</b>
<b>Year ended 30 June 2022</b>		
in USD	No. of Options and Rights	Weighted average exercise price
<b>Options and Performance Rights</b>		
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	-	-
<b>Outstanding at year end</b>	<b>20,642,275</b>	<b>\$0.21</b>
<b>Exercisable at year end</b>	<b>4,797,425</b>	<b>\$0.30</b>

The weighted average remaining contractual life of the share options and performance rights at the end of the year was 2.2 years (2022: 3.2 years)

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

### Share options and performance rights outstanding at the end of the year

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

in AUD	30 June 2023		30 June 2022	
	Exercise Price	Number	Exercise Price	Number
Broker options	\$A0.25	1,625,000	\$A0.25	1,625,000
Lead Manager options	\$A0.25	3,017,275	\$A0.25	3,017,275
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	3,650,000	Nil	3,650,000
<b>Totals</b>		<b>20,642,275</b>		<b>20,642,275</b>

Refer also comments above regarding the Performance Rights expense of \$598,699 that was recognised in the 2022 financial year but was reversed in the current financial year as it was determined the vesting conditions of the Class A & B Performance Rights will not be met.

### 11. Share Based Payments Reserve

in USD	As at 30 June 2023	As at 30 June 2022
Balance as at 1 July 2022	1,318,617	-
Share options	-	687,070
Performance rights	(598,699)	631,547
<b>Balance as at 30 June 2023</b>	<b>719,918</b>	<b>1,318,617</b>

The fair value of the options is measured using the Black Scholes model. The value of the options is 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 be issued one CDI of the Company upon conversion of a performance right, without any further payment. The Company measures the Class A and Class B Performance Rights at fair value. 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.

### 12. Loss Per Share

	Year ended 30 June	
	2023	2022
<b>Basic profit (loss) per share attributable to Equity Owners:</b>		
Loss for the year attributed to shareholders of the Parent	(1,151,171)	(3,922,478)
Weighted average number of common shares outstanding	353,337,940	221,802,552
<b>Basic and Diluted Loss per Share</b>	<b>(0.003)</b>	<b>(0.018)</b>

Basic loss per share is calculated by dividing the net (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 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 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 earnings per share attributable to equity owners.

### 13. Accumulated Losses

in USD	As at 30 June 2023	As at 30 June 2022
Balance at start of Year	(164,145,312)	(154,874,482)
Net Loss attributable to shareholders of parent	(1,151,171)	(3,922,478)
Acquisition of Minority Interest	-	(5,348,352)
<b>Balance at year end</b>	<b>(165,296,483)</b>	<b>(164,145,312)</b>

### 14. Related Party Disclosure

Related parties of the Group are considered to be Key Management Personnel (J Seton, Dr R Shaw, E Kestrel, M Higginson and K Wright) and the Directors.

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

#### *Key Management and Directors*

in USD	Year ended 30 June	
	2023	2022
Short term employee benefits	576,495	364,495
Post-employment benefits	-	-
Long-term benefits	-	-
Share-based payments	-	1,025,799
<b>Balance as at 30 June 2023</b>	<b>576,495</b>	<b>1,390,294</b>

#### *Executive service agreements*

The Company has entered into executive services agreements with each of John Seton, Dr Ray Shaw, and Kevin Wright.

#### *Indemnity Deeds*

The Company has entered into Indemnity Deeds with all officeholders.

#### *Other*

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

## 15. Auditors Remuneration

in USD	As at 30 June 2023	As at 30 June 2022
Grant Thornton Australia and Canada		
Audit and review of financial reports	141,600	138,541
Other Consulting work	23,690	10,302
<b>Total remuneration</b>	<b>165,290</b>	<b>148,843</b>

## 16. 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 A\$250,000 per annum, is paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term. The final tranche under the Consultancy Agreement was paid on 9 July 2023. The agreement may be extended on terms mutually agreed between the parties, as yet this has not occurred.

### *Gold Purchase Facility*

On 8 May 2023, the Company announced that it and its wholly owned Malaysian subsidiary, North Borneo Gold Sdn Bhd (NBG), had entered into a legally binding agreement, named the Gold Purchase Agreement ('GPA and/or the Facility') with the Company's major shareholder, Quantum, giving effect to the non-binding term sheet announced on 21 March 2023. Following the satisfaction of the GPA's conditions precedent, Besra has access to a funding schedule to allow it to advance the Bau Project. The key terms under the GPA include:

- Up to 3m ounce gold offtake purchase facility for JORC-2012 gold mineral resources at the Reference Price, less 10%;
- The Reference Price is set at the time of each drawdown and is the 5-day average of the London Metal Market gold price in US\$ per troy ounce and is subject to a floor price of 115% of All in Sustaining Costs ('AISC' being the all-in sustaining cost to produce an ounce of gold, including general and overhead administration, depreciation and amortisation of capital, the cost of exploration to replace mined ounces as more particularly described in the World Gold Council Guidance Note on Non-GAAP Metrics) at the time of delivery ("Floor Price");
- Up to US\$300m is to be made available to Besra by way of Quantum paying Besra a 5% deposit of the Reference Price on future gold production of up to 3m ounce;
- Subject to drawdowns under the Facility occurring, funding will be available to Besra at the rate of up to US\$10m per month to be paid into a drawdown account ("Drawdown Account") controlled by Besra, with an initial US\$2m upon execution of the Term Sheet and another US\$3m upon execution of the Facility Agreement, subject to certain conditions including shareholder approval;
- Quantum will secure rights to acquire a part of Besra's future gold production, in relation to the specific amounts received in the Drawdown Account;
- A 'Delivery payment' to Besra of the remaining 85% of the Reference Price (being the discount of 10% and less the 5% prepaid deposit) at the time of delivery to Quantum of allocated ounces covered by the prior deposit payment;
- Deliveries to Quantum are to be made from all gold produced up to 25,000 ounces, 80% of all gold produced from 25,001 to 120,000 ounces and thereafter 65% of all gold produced (collectively "Delivery Ounces"), leaving 35% of gold production unassigned;
- Any funds raised under the Facility are to be used for construction, commissioning and operation of mine site plant and associated infrastructure, renewal of mining leases, feasibility studies,

exploration and mining activities, M&A, gold treasury activities, Besra corporate and working capital purposes;

- Besra has agreed to grant in favour of Quantum a first ranking charge over the Drawdown Account and the Delivery Ounces and certain other pieces of security in relation to NBG (the “Security”); and
- No recourse to Besra should the Bau Project fail.

On 23 May 2023, the Company announced the payment of a further US\$3m by Quantum representing the balance of the Initial Deposit of \$5m. These funds were received on 25 July 2023.

The conditions precedent set out in the GPA were met as of 13 September 2023, and as such the Facility is now operational.

Besra plans to commence an update of the 2023/4 pre-feasibility study and accelerate plans to begin pilot production in calendar year 2023. On the exploration front, it will focus on upgrading the quality of the JORC Resource inventory by converting a portion of its Inferred ounces into the Measured & Indicated categories.

#### *Contingencies*

There are no contingencies (2022: nil).

## **17. 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;
- interest rate risk, and
- Capital 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 summarise the maturity profile of the Group's derivatives and financial liabilities including estimated interest.

As at 30 June 2023:

in USD	Within 1 Year	1-5 Years
Trade and other payables	988,280	-
<b>Total</b>	<b>988,280</b>	<b>-</b>

As at 30 June 2022:

in USD	Within 1 Year	1-5 Years
Loans and other borrowings	181,969	49,500
Trade and other payables	512,887	-
	<b>694,856</b>	<b>49,500</b>

#### *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 statement of financial position of the Group includes US and Canadian dollar cash and cash equivalents. 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 trade and receivables. The maximum exposure to credit risk is equal to the carrying value of the 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.

in USD	Year ended 30 June	
	2023	2022
Trade and receivables	37,943	19,727

#### *Interest rate risk*

The interest rate risk is insignificant. There is no sensitivity to interest rates.

#### *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board. The capital structure of the Company consists of net debt (trade and other payables and loans and borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital and reserves, offset by accumulated losses detailed in Notes 11 and 13). The Company is not subject to any externally imposed capital requirements.

### **18. Events After the Reporting Date**

At the Special Meeting of Shareholders held on July 24, 2023, the Gold Purchase Agreement executed on May 9<sup>th</sup> was approved. Following which Quantum settled the first tranche under the facility being the US\$5m Contract Note. A\$7,473k equivalent was paid to Besra on 25 July 2023.

No other matters or circumstances have arisen since 30 June 2023 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.

### **19. Segment reporting**

The Company has only one operating segment being gold exploration in Malaysia.

### **20. Authorisation of Consolidated Financial Statements**

The consolidated financial statements for the year ended 30 June 2023 including comparatives were approved by the board of directors on 29 September 2023.

Signed:



**John Seton**

Executive Director

Date: 29 September 2023

Signed:



**Jon Morda**

Director & Audit Committee Chair

Date: 29 September 2023

**BESRA GOLD INC.**

**DIRECTORS' DECLARATION**

Financial Report Year ended 30 June 2023

The Directors of Besra Gold Inc declare that:

1. the financial statements and notes of the Company:
  - (a) comply with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company;
  
- 2 There are reasonable grounds to believe that Besra Gold Inc will be able to pay its debts as and when they become due and payable.

On behalf of the Board:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

**Executive Director**

29 September 2023

## Independent Auditor's Report

To the Members of Besra Gold Inc.

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Besra Gold Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b complying with International Financial Reporting Standards.

#### Basis for opinion

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

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

## Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group made a loss of \$1,152,362 with cash outflows from operating and investing activities of \$3,421,613 during the year ended 30 June 2023. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

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

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Exploration and evaluation assets – Note 6</b>	
<p>At 30 June 2023 the carrying value of exploration and evaluation assets was \$21,063,866.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li><li>• reviewing management's area of interest considerations against AASB 6;</li><li>• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:<ul style="list-style-type: none"><li>– tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;</li><li>– enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li><li>– understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li></ul></li><li>• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;</li><li>• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li><li>• assessing the appropriateness of the related financial statement disclosures.</li></ul>

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

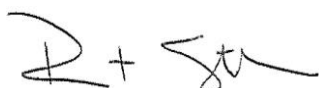
### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B P Steedman  
Partner – Audit & Assurance

Perth, 29 September 2023