

10 May 2023

Acquisition of additional shares in the holding company of the Bau Gold Project, North Borneo Gold Sdn Bhd

As part of a move to increase Besra Gold Inc's (**Besra** or the **Company**) ownership of the Bau Gold Project (**Bau**), Besra is pleased to announce that it has reached agreement with Pangaea Resources Limited (**Pangaea**), a substantial shareholder of the Company and an entity associated with Besra's Chair (Jocelyn Bennett), to acquire from Pangaea 1,802 shares (0.72%) (**NBG Shares**) in the issued share capital of North Borneo Gold Sdn Bhd (**NBG**) (**Agreement**).

Given that NBG is the owner of Bau and that the NBG Shares are free-carried or funded through development of Bau, that Pangaea holding those shares would require the introduction of a third party to the project documentation and in light of Besra's development strategy, the Besra board considers that (in addition to increasing Besra's equity interest in NBG) the acquisition of the NBG Shares is both commercially and administratively advantageous as well as being structurally practical.

Following acquisition of the NBG Shares, Besra's ownership of NBG will increase by 0.72% to 98.5% (93.55% on an equity-adjusted basis), thus increasing Besra's interest in the Bau Gold Project by 0.78%.

The consideration to be paid to Pangaea by Besra for the NBG Shares comprises:

- 10,000,000 Besra CDIs; and
- 20,000,000 options to subscribe for Besra CDIs, each exercisable at a 33% premium to the Company's 30 trading day VWAP prior to 9 May 2023 and expiring two (2) years after issue,

collectively, the **Consideration Securities**.

It is expected that the Consideration Securities will be subject to 12 months' mandatory escrow.

Conditions Precedent

In accordance with ASX Listing Rules 10.1 and 10.11, the Agreement and the issue of the Consideration Securities is subject to the receipt of CDI holder approval. As required by ASX Listing Rule 10.5.10, the notice of meeting to approve the transaction will include a report from an independent expert. Such report will state the expert's opinion as to whether the transaction is fair and reasonable to Besra's CDI holders (other than Pangaea and its associates).

The Agreement is also subject to obtaining all pre-emptive rights (if any) with respect of the transfer of the NBG Shares pursuant to the Agreement

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

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