BESRA GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2020 & 30 JUNE 2021

(In United States Dollars)

BESRA GOLD INC.

Statement of Management's Responsibility

The accompanying consolidated financial statements have been prepared by and are the responsibility of the management of Besra Gold Inc. ("the Company"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimate and judgement based on currently available information.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditor to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements before they are presented to the Board of Directors for approval.

The Company's independent auditors, Grant Thornton New Zealand Audit Limited, was appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

Signed:

John A G Seton

Director

Date: 30 September 2021

Auckland, New Zealand

Independent Auditor's Report

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To the Shareholders of Besra Gold Incorporated

Opinion

We have audited the consolidated financial statements of Besra Gold Incorporated (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statements of financial position as at 30 June 2021 and 30 June 2020, and 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2021 and 30 June 2020 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty on Going Concern

We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of $13,314,669 during the year ended 30 June 2021 and, as of that date, the company's current liabilities exceeded its current assets by $32,066,489. Further the Group is dependent on its ability to raise sufficient cash through the completion of its Initial Public Offering and Listing on the Australian Stock Exchange as well as the execution of the planned restructuring of its debt and equity instruments upon its Listing. These events or conditions, along with other matters as set forth in Note 3, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted 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 these consolidated financial statements

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brayden Smith.

Grant Thornton

Wellington, New Zealand **Chartered Professional Accountants**

30 September 2021

BESRA GOLD INC.

Consolidated Statement of Financial Position

in USD	Notes	As at 30 June 2021	As at 30 June 2020
ASSETS			
Current			
Cash and cash equivalents		11,146	31,260
Tax and other receivables		25,511	28,147
Prepaid expenses		7,486	7,486
		44,143	**66,893**
Non-current			
Property plant and equipment		14,235	32,599
Exploration and evaluation	4	17,506,422	17,506,422
		17,520,657	**17,539,021**
TOTAL ASSETS		**17,564,800**	**17,605,914**
LIABILITIES			
Current			
Trade and other payables	5	5,538,254	5,617,142
Derivative liability	7	21,778,785	11,456,461
Loans and borrowings	6	4,793,593	2,015,066
		32,110,632	**19,088,669**
Non-current			
Loans and borrowings	6	251,592	-
TOTAL LIABILITIES		**32,362,224**	**19,088,669**
EQUITY			
Issued capital	9	141,517,358	141,517,358
Accumulated losses		(154,874,482)	(141,575,005)
		(13,357,124)	(57,647)
Non-controlling interest		(1,440,300)	(1,425,108)
		(14,797,424)	**(1,482,755)**
TOTAL LIABILITIES AND EQUITY		**17,564,800**	**17,605,914**

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

BESRA GOLD INC.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

in USD	Notes	Year Ended 30 June 2021	Year Ended 30 June 2020
Revenue		-	-
Corporate and administrative expense		(2,209,854)	(780,427)
Exploration expense		(63,719)	(237,604)
Depreciation and amortization		(18,364)	(14,605)
Derivative fair value revaluation		(10,322,324)	(442,278)
Finance charges	10	(700,408)	(63,908)
LOSS BEFORE INCOME TAX		**(13,314,669)**	**(1,538,822)**
Income tax recovery	8	-	-
NET LOSS FOR THE YEAR		**(13,314,669)**	**(1,538,822)**
Other comprehensive income net of tax		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(13,314,669)**	**(1,538,822)**
Comprehensive Loss for the year attributable to:			
Shareholders of the parent		(13,299,477)	(1,511,854)
Non-controlling interests		(15,192)	(26,968)
Basic loss per share	11	(2.763)	(0.319)
Dilutive loss per share	11	(2.763)	(0.319)

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 2021	Year Ended 30 June 2020
OPERATING ACTIVITES			
Total comprehensive loss for the year		(13,314,669)	(1,538,822)
Items not affecting Cash			
Depreciation & amortization		18,364	14,605
Interest on loans	12	535,848	231,873
Unrealised foreign exchange	12	113,510	-
Derivative revaluation	12	10,322,324	442,278
Changes in non-cash working capital balances			
Other receivables		2,635	(24,810)
Trade and other payables		(78,887)	534,113
Cash used in operating activities		**(2,400,875)**	**(340,763)**
FINANCING ACTIVITIES			
Proceeds from financing loan	12	2,430,761	437,729
Repayment of Loan	12	(50,000)	(88,173)
Cash provided by financing activities		**2,380,761**	**349,556**
Net change in cash and cash equivalents		(20,114)	8,793
Cash - beginning of the year		**31,260**	**22,467**
Effect of foreign exchange rate changes on cash			-
Cash – end of the year		**11,146**	**31,260**

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	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2020	**141,517,358**	**(141,575,005)**	**(1,425,108)**	**(1,482,755)**
Loss for the year	-	(13,299,477)	(15,192)	(13,314,669)
Total comprehensive loss for the year	-	(13,299,477)	(15,192)	(13,314,669)
Balance at 30 June 2021	**141,517,358**	**(154,874,482)**	**(1,440,300)**	**(14,797,424)**

in USD	Issued Capital	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2019	**141,517,358**	**(140,063,151)**	**(1,398,140)**	**56,067**
Loss for the year	-	(1,511,854)	(26,968)	(1,538,822)
Total comprehensive loss for the year	-	(1,511,854)	(26,968)	(1,538,822)
Balance at 30 June 2020	**141,517,358**	**(141,575,005)**	**(1,425,108)**	**(1,482,755)**

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

BESRA GOLD INC.

Notes to the Consolidated Financial Statements

(in USD)

1. Background and Nature of Business

During the financial years ended 30 June 2020 and 2021, the business of Besra Gold Inc. and subsidiaries (‘Besra’ or ‘the Company’) consisted of a sole feasibility stage project in East Malaysia, being the Bau Gold Project (‘Bau' and/or the 'Bau Gold Project'’).

The 30 June 2020 and 2021 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc. and its controlled subsidiaries.

2. General Information & Statement of Compliance

Besra Gold Inc is a limited liability company incorporated in Canada. Its registered office is c/o Solutions Corporate Law Clerk Services Inc, 67 Yonge Street, Suite 701, Toronto, Ontario, Canada and principal place of business is located at Level 1, 63 Fort St, Auckland, New Zealand.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements for the year ended 30 June 2021 including comparatives were, approved and authorized for issue by the Board of Directors (‘Board’) on 30 September 2021 (see note 21).

The accounting policies as set out below have been applied in preparing these consolidated financial statements throughout all periods presented.

3. Basis of Preparation & Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of Besra have been prepared on an accrual basis and are based on historical costs, except for financial instruments that are measured at fair value. The financial statements are presented in United States dollars (USD) which is also the functional currency of Besra Gold Inc. and its subsidiaries. Amounts are rounded to the nearest dollar unless otherwise stated.

Basis of Consolidation

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

Company Name	Jurisdiction	Ownership % 30 June 2021	Ownership % 30 June 2020
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited)	Malaysia	100	100
Bau Mining Co Ltd	Samoa	91	91
North Borneo Gold Sdn Bhd ("NBG")	Malaysia	87.1	87.1
Besra NZ Limited (formerly OYM NZ Limited)	New Zealand	100	100

Going Concern

The consolidated financial statements were prepared on a going concern basis which anticipates the Company and the entities it controls will be able to continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

During the year ended 30 June 2021, the Group made a loss of $13,314,669 (30 June 2020: a loss of $1,538,822). As at 30 June 2021, the Company's current liabilities exceeded its current assets by $32,066,489 (at 30 June 2020: $19,021,766). Cash and cash equivalents on hand at 30 June 2021 is $11,146 (30 June 2020: $31,260).

The adoption of the going concern basis is based on the following:

On 22 April 2021 the Company filed a prospectus (“Original Prospectus”) with the Australian Securities and Investment Commission (“ASIC”) that would restructure the Company’s financial position through an initial public offering (“IPO”) of the Company’s common shares in the form of Chess Depository Receipts (“CDI’s”) on the Australian Securities Exchange (“ASX”) – referred herein as the “Listing”.

The IPO seeks to raise a minimum of $7.19m (A$10.0m) (“Minimum Subscription”) to a maximum of $8.99m (A$12.5m) (“Maximum Subscription”) at an issue price of $0.14 (A$0.20) per CDI. Upon completion of the IPO, the Company would issue (amongst other issues):

- Approximately 83,942,611 CDI’s upon Conditional Admission (as defined below) to holders of secured notes in full satisfaction of all amounts outstanding under those secured notes (refer to note 7).
- Approximately 52,274,000 CDI’s upon Conditional Admission (as defined below) to the holders of the Bridge Notes and Novus Advances (as defined below) in full satisfaction of all amounts outstanding under the respective financing agreements (refer note 6).
- Approximately 69,844,355 CDI’s upon Conditional Admission (as defined below) to the holders of the Creditor Notes / New Notes in full satisfaction of all amounts outstanding under the Creditors Notes / New Notes (refer note 7).
- 532,457 upon Conditional Admission (as defined below) CDI’s to certain trade creditors in satisfaction of $302,939 (A$421,334) owing to those trade creditors.
- 50,000,000 CDI’s for the Minimum Subscription and up to 62,500,000 CDI’s for the Maximum Subscription.

The issuance of the CDIs upon completion of the IPO would settle most of the Group’s existing liabilities. The cash proceeds from the IPO will be applied towards exploration & development activities at the Bau Gold Project, general working capital, listing costs and other trade creditors of the Company enabling.

Following the ASIC’s statutory review of the Original Prospectus, the Company filed a replacement prospectus on 8 July 2021 and a supplementary prospectus on 16 September 2021. The Original Prospectus, replacement prospectus and supplementary prospectus are herein referred to as the “Prospectus”.

A meeting of noteholders on 3 December 2020 approved the exchange of the Creditor Notes / New Notes for the CDI’s subject to ASX granting Besra conditional approval to list prior to 28 February 2021, subsequently extended to 30 September 2021. The Company received conditional approval from the ASX on 24 September 2021 (“Conditional Approval”). On 28 September 2021 the Company had raised the Minimum Subscription.

The first date on which ASX has confirmed that it has resolved on a conditional basis to admit Besra to the Official List and the Minimum Subscription has been raised is referred to as "Conditional Admission".

The Company expects to complete the Listing in October 2021.

After taking account of the matters considered above, the Directors conclude that the Company remains a going concern.

However, the dependency on the above forecasted events and cash flows creates a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should the Group be unable to 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

Exploration and evaluation assets include the costs of acquiring rights and licences, costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset purchase.

The Group follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and charging all revenue received until production is achieved against the cost of related claims.

Costs incurred before Besra has obtained the legal rights to explore an area are recognized in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.
The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on sale of the respective areas of interest, or alternatively successful development and commercial exploitation.

Where a decision has been made to develop an exploration and evaluation asset or assets into a mining operation, the accumulated exploration and evaluations costs for the project would be reclassified as mining properties. Mining properties would be tested for impairment and the accumulated costs, subject to any impairment or revaluation, would then be amortised over the proven and probable reserves, or measured and indicated resources where the criteria to establish proven and probable reserves have not been met.

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 suggest that the carrying amount may exceed the recoverable amount, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units ('CGUs')). The Group's CGU is the Bau Project..

Impairment losses are recognized 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 recognized for the asset previously.

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized 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.

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 recognized 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 recognized 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 realized 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.

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.

Earnings per share

Basic earnings 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 earnings 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 warrants 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 earnings 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 recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if it affects both current and future periods. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, and provisions for restoration and environmental obligations.

The most significant judgements, estimates and assumptions used in the preparation of these consolidated financial statements include:

Judgements:

- Determination of functional currency of entities within the Group. Determining the appropriate functional currencies for each entity in the Group requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence financing, labour, materials, and other costs of providing goods or services.
- The convertible notes (refer note 7) issued by the Group are complex with varying features which could, depending on judgements applied, result in a number of possible accounting treatments based on the application of IFRS. The main judgement made in determining the accounting treatment for the convertible notes is whether the notes should be split into multiple elements (i.e. base loan, warrants or interest) with a different accounting treatment for each element or treated as a single instrument meeting the definition of a derivative.
- Determine whether the Company remains a going concern as set out in commentary on the Going Concern on page 9.

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 have used the fair value less costs to sell method using an income approach to test the exploration and evaluation asset for impairment. Fair value is estimated based on an associated enterprise value per resource ounce multiple methodology for relevant comparable companies in conjunction with an independent market assessment of the Company as a whole. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

The Directors have also taken into account impairment testing relying upon advice from an independent party who arrived at a pre-IPO asset value based on pre-IPO funding arranged by the Company and the proposed raising as part of an IPO and re-listing on the ASX. The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset. (Refer to Note 4)

- Fair value determination of financial instruments carried at fair value. Derivative 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.

  For the year ended 30 June 2021 and 30 June 2020 the liabilities were valued using an income approach to calculate the fair value which incorporates both the timing and risk of receiving the expected payoff amounts. The valuation used estimates to determine the possible future outcomes, the timing and expected proceeds, with the expected proceeds discounted using a risk-adjusted discount rate with the resulting present value probability weighted to arrive at the fair value. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. (Refer to Note 7).

4. Exploration and evaluation

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Opening Balance	17,506,422	17,506,422
Additions	-	-
Impairment	-	-
Closing Balance	**17,506,422**	**17,506,422**
Cost	50,776,422	50,776,422
Accumulated impairment	(33,270,000)	(33,270,000)
Closing Balance	**17,506,422**	**17,506,422**

The exploration and evaluation asset is entirely comprised of the Bau Gold Project ('Bau'), a brown-field project, spread over a large geographic area. Besra's 100% owned subsidiary Besra Labuan acquired its interest in North Borneo Gold (NBG), which owns rights to the mining tenements covering the area of Bau. The Company acquired its interest on Bau in accordance with the agreement for the sale of shares in NBG between Gladioli, Besra Labuan and Mr. Ling Lee Soon (guarantor of Gladioli) dated 1 October 2010, as amended and restated on 12 May 2013 and 17 November 2016 ("SPSA").

Besra currently has a direct 92.0% interest in NBG and has an equity-adjusted 87.1% interest in NBG. Besra can increase its interests in NBG to 97.8% and its equity-adjusted interest to 92.8% (refer note 14 for further information).

Bau comprises consolidated mining and exploration tenement interests that collectively cover more than 1,340km^2. A feasibility study for Stage 1 of Bau in East Malaysia was completed in the financial year ended 30 June 2014.

Management undertook an impairment assessment of Bau during the 2019 financial year as the Company examined the viability of relisting the Company on a stock exchange and determined the recoverable amount of Bau at its fair value less costs of disposal, using enterprise value (EV) pursuant to advice from an independent third party was $17.5 million at that time. As the Company only has a single asset, the use of an EV was considered an appropriate indicator for the value of the asset. This opinion was based on the value of the asset on an EV per ounce basis relative to market peers discounted for the independent advisor's assessment of sovereign risk. As a result, the Directors concluded that it was necessary for the Group to impair the carrying value of Bau for the year ended 30 June 2019 by an amount of $33,270,000 reducing the value of the asset to $17,506,422. A review for the year ended 30 June 2020 indicated no significant change to facts and circumstances which would suggest that an impairment assessment is necessary.

For the year ended 30 June 2021, there was no capital investment in Bau, which remained under care and maintenance.

Management and Directors completed a re-assessment at 30 June 2021 and assessed whether there are any facts or circumstances that would indicate that the mineral property interest should be assessed for impairment and noted that:

- The Company can immediately commence exploration and development activities at the Bau Gold Project following completion of the IPO ;
- Substantive expenditure on exploration planned;
- Relevant reports suggest that the mineral resources within the area remains commercially viable and once the exploration beings the carrying amount of the asset is likely to be recovered.

The above factors have been unchanged and concluded that no further impairment is required for the year ended 30 June 2021.

5. Trade and other payables

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Trade payables	1,338,243	2,280,296
Taxes and government fees	12,934	21,433
Accruals and other payables	4,187,077	3,315,413
Total	**5,538,254**	**5,617,142**

Settlement agreements have been reached with certain creditors, that will result in a write down of $2.14M of the total payable above, upon Conditional Admission.. Another $1.74M of the balance will be settled by issuance of CDI's upon Conditional Admission.The balance which includes accrued listing costs will be settled from proceeds of the IPO..

6. Convertible Notes, Interest Bearing Loans and borrowings

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Current Liabilities		
Secured convertible notes	-	529,530
Secured Bridge Notes	2,365,434	-
Other current indebtedness (unsecured)	2,428,159	1,485,526
	4,793,593	**2,015,066**
Non-current Liabilities		
Other non-current indebtedness (unsecured)	**251,592**	**-**
Total	**5,045,185**	**2,015,066**

Secured Bridge Notes

On 7 July 2020 the Company closed a A$2,533,000 financing consisting of zero-coupon, secured convertible subordinated notes ("Bridge Notes"). The Bridge Notes have matured on 30 June 2021. Prior to maturity or Listing date, at the option of the Holder, the Bridge Notes are convertible into common shares of the Company at A$0.063 per share *(adjusted post the 250:1 consolidation of shares by virtue of the anti-dilution clause)*.

This conversion feature is considered an embedded derivative which is normally fair valued and recognised separately from the host financial liability, however, as of 30 June 2021, upon maturity of the note, the conversion rights have also expired and therefore has nil value. In accordance with the force redemption clause of the Agreement, the amount payable in relation to the Bridge Notes is the 125% of the principal owed.

The Company's obligations under the Bridge Notes are secured by a general security agreement in favour of the holders of the Bridge Notes, ranking subordinate to the existing secured obligations of the Company as disclosed in Note 7.

Convertible secured notes issued on 31 October 2019 with a principal amount of CAD$500,000, and issued in June 2020 for A$100,000, were cancelled during the year and replaced to form part of the Bridge Notes.

The Bridge Notes will be settled by the issue of CDI's on Conditional Admission.

Other current and non-current indebtedness (unsecured)

Included in Other Current Indebtedness (unsecured) are the following various financing arrangements entered into by the Company to meet its working capital needs:

- Clients of Novus Capital have provided unsecured advances totalling approximately $957,473 (2020: $800,821) to the Company for working capital purposes (Novus Advances). The Novus Advances are repayable on demand and accrue interest at 12% per annum, payable on maturity. The Novus Advances will convert to CDIs upon Conditional Admission.

- The InCoR Services Loan is a fixed interest loan agreement of A$300,000, unsecured, with an interest rate of 12% per annum, payable at maturity. Drawings under the loan of A$175,000 have been made as at balance date. The balance owing, including accrued interest, as at 30 June 2021 is $157,737. The InCoR Services Loan will be repaid from the proceeds from the Listing.
- Other short-term financing obtained both from related entities and third parties, totalling $422,377 were arranged prior to 30 June 2021 are on terms similar to those under the InCoR Services Loan. The balance outstanding will be repaid from the proceeds of the Listing.
- North Borneo Gold Debt Notes ("NBG Debt Notes") carried at $438,553 in 2021 (2020: $425,639), have a term of four years to November 2020, bear interest of three percent (3%) per annum, calculated and payable on maturity. The Company will settle the NBG Debt Notes from the proceeds from the Listing, in the amount of A$286,090 in full and final settlement of the NBG Debt Notes.
- The Company has entered into two settlement agreements with historic suppliers who have provided drilling and assaying services for the Bau Gold Project to repay amounts due totalling $703,611 on a deferred payment schedule through to 2023.

7. Derivative Liabilities

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Current Liability:		
Convertible notes (secured)	1,981,356	1,977,972
Exit financing note (secured)	9,905,972	9,347,263
Creditor convertible notes (unsecured)	9,891,457	131,226
Total	**21,778,785**	**11,456,461**

For the years ended 30 June 2021 and 2020, the derivative liabilities were valued using an income approach to calculate the fair value which incorporates both the timing and risk of receiving the expected payoff amounts. The valuation used estimates to determine the possible future outcomes, the timing and expected proceeds, with the expected proceeds discounted using a risk-adjusted discount rate with the resulting present value probability weighted to arrive at the fair value. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

The main inputs into the valuation were

- the security held by the noteholders (refer below);
- the expected proceeds from an IPO of approximately A$10.0 - A$12.5 million; and
- using a discount rate between of 25%.

The sensitivity analysis based on the expected proceeds of A$12.5 million with a variance in the discount rate of +/- 5% results in a value range of +/- A$625,000.

For the year ending 30 June 2020 the main inputs into the valuation were

- the security held by the noteholders (refer below);
- the expected proceeds from an IPO of approximately A$5.6 - A$7 million; and
- using a discount rate between 25% to 30%.

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

Convertible Notes (Secured)

InCoR is the holder of a secured convertible note issued in March 2015 with respect to C$2,000,000 of funding provided by InCoR to the Company ("InCoR Note").

The InCoR Note was issued to InCoR Limited ("InCoR") pursuant to a partial revocation of the Cease Trade Order ("CTO") granted by the Ontario Securities Commission on 15 March 2015, with drawdowns under this note facility commencing in September 2014 and continuing until April 2015, when the balance of the note reached CAD $2,000,000. The two-year interest coupon (at 6% per annum) on the InCoR Note was prepaid by the Company from the proceeds received from the InCoR Note.

The InCoR Note is convertible into Common Shares in the Company at a price of CAD $0.01 per Common Share at the option of the holder or will convert in full into CAD $0.01 equity when the CTO lifts. Warrants associated with the note (1/3 warrant coverage, with 5-year terms at a strike price of CAD $0.02) are only issued once the InCoR Note converts, and common shares are issued to the holder.

The InCoR Note matured in November 2018 when all the CTOs were revoked. As the InCoR Note has matured it is currently convertible at the option of the holder or (amongst other things) the occurrence of a Liquidity Event such as an equity financing.

A further advance of CAD$100,000 was made in January 2018 on which date the interest rate under the InCoR Note increased to 12%. All other terms under the InCoR Note remain unchanged.

The obligations under the InCoR Note are secured by joint and several guarantees by subsidiaries of the Company and a pledge to it of the shares held by those subsidiaries in North Borneo Gold (the project company operating the Bau Gold Project). These securities were subordinated to the securities held by PHL Limited ("Pangaea") pursuant to the Exit Financing described below.

The InCoR Notes are denominated in Canadian dollars. The functional reporting currency of the Company is US dollars. As the exercise price of the Common Shares and resulting warrants underlying the conversion feature is denominated in Canadian dollars and is not denominated in the Company's functional currency, the contractual obligations arising from the conversion feature meet the definitions of a derivative in its entirety under IFRS.

The legal amount owing on the InCoR Note at 30 June 2021 is CAD$3,062,400 (2020: CAD$2,872,942).

Besra has entered into Equity Share Swap Agreement with InCoR ("InCoR ESSA") under which InCoR has agreed, subject to the satisfaction of certain conditions precedent, to the conversion of the InCoR Note into CDIs.

Exit Financing Note (Secured)

Pangaea Holdings Limited ("PHL") is the holder of a secured convertible note issued in November 2016 pursuant to the Exit Financing in the principal amount of C$10,000,000 ("Pangaea Note").

In 2021, PHL assigned all its security interests in Besra to Pangaea Resources Limited ('PRL'). Further references to Pangaea should be considered to be PRL on the basis of the assignment.

The Pangaea Note was convertible at a price of CAD$0.01 into one common share (each a "Common Share" and, collectively, the "Common Shares") of the Company and one-third of a warrant to purchase Common Shares of the Company, each whole warrant entitling Pangaea to purchase one Common Share at an exercise price of CAD$0.02 for a term of five years from the date of issuance.

The Pangaea Note is convertible at the option of Pangaea or converts automatically upon the earlier of the maturity date or the date of listing of the Common Shares on one or more specified stock exchanges. Interest on the Pangaea Note is at the rate of 5% per annum payable annually in cash or in Common Shares at a rate of CAD$0.01 per Common Share. As a condition of Pangaea consenting to further InCoR advances the interest rate under the Convertible Note increased from 5% to 12% from January 2018.

The obligations of the Company under the Pangaea Note are secured by a general security agreement over the Company's assets and by share pledge arrangements. As noted above InCoR subordinated its security interests to those of Pangaea.

Pangaea was also issued warrants to purchase 333,333,333 Common Shares at an exercise price of CAD$0.02 for a term of five years from the date of issuance. The exercise price has been adjusted to CAD$5 post 250:1 consolidation basis as set out in the Pangea ESSA.

In order to vest Pangaea with voting control of the Company pending conversion of the Pangaea Note, Pangaea was issued Common Shares representing 50.1% of the voting rights of Besra's issued and outstanding Common Shares. Such Common Shares have been deposited with an escrow agent pursuant to a common share escrow agreement which provides Pangaea with the voting rights in respect of such shares but not economic or other rights in respect thereof. Further, as Common Shares are issued to Pangaea, whether by conversion of the Pangaea Note or otherwise, Common Shares subject to this escrow arrangement will be redeemed for a nominal amount such that the escrowed Common Shares will not cause Pangaea's voting rights to exceed 50.1%. All remaining Common Shares subject to such escrow arrangement will be redeemed for a nominal sum upon conversion or repayment of the Pangaea Note in its entirety.

The Pangaea Note is denominated in Canadian dollars. The functional reporting currency of the Company is US dollars. As the exercise price of the Common Shares and resulting warrants underlying the conversion feature is denominated in Canadian dollars and is not denominated in the Company's functional currency, the contractual obligations arising from the conversion feature meet the definitions of a derivative in its entirety under IFRS.

The Pangaea Note is subject to ongoing breaches which are considered by Pangaea to be Events of Default. Under the terms of the Pangaea ESSA, PRL has confirmed they will continue to forbear acting on the default provided Besra completes its plans to relist as contemplated under the Canaccord mandate or some other proposal that may otherwise arise. Historically, Pangaea has levied an additional fee for continued forbearance in respect to this matter. Under the terms of the Pangaea ESSA no fee is required for this year.

The legal amount owing on the note at 30 June 2021 is CAD$14,709,863 (2020: CAD$13,513,151).

The InCoR Note and Pangaea Note will be repaid in full by the issue of approximately 83,942,611 CDI's on Conditional Admission pursuant to Equity Share Swap Agreements.

Creditor convertible notes (Unsecured)

The Creditor Notes ("New Notes") were issued on 17 November 2016 and are unsecured with the following material terms:

(i) each New Note shall be issued at the New Note Value;

(ii) each New Note shall have a term of four (4) years to November 2020;

(iii) each New Note shall bear interest at a rate of three percent (3%) per annum, calculated and payable on maturity;

(iv) each New Note shall be redeemable, at the Company's option, as follows:

to the extent it has not been wholly redeemed, each New Note shall be convertible at the New Note Value or any part thereof outstanding, at the noteholder's option on a semi-annual basis, into common shares of the Company at the conversion price of C$0.085 per share (only full shares will be issued; no fractional shares will be issued).

The Creditor Convertible Notes are denominated in Canadian dollars. The functional reporting currency of the Company is US dollars. As the exercise price of the Common Shares is denominated in Canadian dollars and is not denominated in the Company's functional currency, the contractual obligations arising from the conversion feature meet the definitions of a derivative in its entirety under IFRS.

The legal amounts owing on the New Notes at 30 June 2021 is CAD$53,908,867 (2020: CAD$52,516,867).

A meeting of Noteholders held on 3 December 2020 approved the exchange of the New Notes in full for approximately 69.8 million CDI's in the Company (on a post-consolidation basis). The approval was subject to the Minimum Subscription under the IPO being achieved and ASX conditional listing approval being granted by 28 February 2021, subsequently extended to 30 September 2021. Conditional listing approval was granted on 24 September 2021.

The terms under which the New Notes resolved to participate in the IPO, were that they would receive equivalent value in CDIs of A$13.97m at an issue price of A$0.2. This in turn had the effect to increase the value of the Derivative Liability to $9,891,457 (2020: $131,226).

8. Income Tax

The significant components of income tax expense were:

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
(Loss) before income tax	(13,314,669)	(1,538,822)
Expected tax recovery at 26.5%	(3,528,387)	(407,788)
Non-deductible/assessable items	3,118,621	147,197
Benefit of current year loss not recognized	409,766	260,591
Actual tax (recovery)	**-**	**-**
Tax recovery comprises:		
Current tax:		
Based on taxable income for the current year	-	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total tax recovery	**-**	**-**

Unrecognized Tax Losses/Unrecognised Deductible Temporary Differences

The Group has unrecognized deferred tax assets in relation to tax losses that are available to carry forward against future taxable income of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in entities for which it is not probable that there will be taxable profits in the future. The tax losses for Canada are $66,667,202 (2020: $65,120,916) which will expire twenty years after the loss was incurred.

Deferred Tax

The deferred tax liabilities included on the face of the Consolidated Statement of Financial Position are as follows:

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Deferred Tax Liabilities		
Exploration & Evaluation Properties	-	-
Total Deferred Tax Liabilities	**-**	**-**
Deferred Tax Recovery		
Exploration & Evaluation Properties	-	-
Total Deferred Tax Recovery	**-**	**-**

Deferred tax liabilities denominated in foreign currencies are retranslated at reporting period end exchange rates.

9. Issued Capital & Reserves

Common Shares

The Company is authorized to issue an unlimited number of common shares with one vote per share and no-par value per share.

in USD	Number of Common Shares	Amount
Balance 30 June 2019	1,204,892,898	141,517,358
Shares issued	-	-
Balance 30 June 2020 prior to consolidation	1,204,892,898	141,517,358
Consolidation of Shares	(1,200,073,276)	-
Balance 30 June 2021	**4,819,622**	**141,517,358**

At a meeting of shareholders dated 10 September 2020 shareholders approved the consolidation of the Company's capital on the basis of one post consolidation shares for every two hundred and fifty (250) pre-consolidation shares or such lesser ratio as the board of directors of the Company approve. The consolidation was approved by the Company's directors.

In order to vest Pangaea with voting control of the Company pending conversion of the Convertible Note, Pangaea was issued Common Shares representing 50.1% of the voting rights of Besra's issued and outstanding Common Shares. Such Common Shares have been deposited with an escrow agent pursuant to a common share escrow agreement which provides Pangaea with the voting rights in respect of such shares but not economic or other rights in respect thereof. (Refer note 7 for details of Exit Financing Note).

10. Finance Charges

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Interest on borrowings and notes	586,816	132,190
Foreign exchange loss/(gain)	113,592	(68,282)
Total finance charges	**700,408**	**63,908**

11. Earnings (Loss) Per Share

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Basic loss per share attributable to Equity Owners:		
Loss for the period	(13,314,669)	(1,538,822)
Weighted average number of common shares outstanding	4,819,622	4,819,622
Basic loss per share	**(2.763)**	**(0.319)**

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.

Diluted loss per share is based on basic loss per share adjusted for the potential dilution if shares held in escrow are transferred 5,651,228 (2020: 5,651,228) and warrants are exercised 1,333,333 (2020: 1,333,333). Potential ordinary shares shall be treated as dilutive when, and only when, their conversion would decrease earnings per share or increase loss per shares for continuing operations. The increase in the number of shares from conversion of convertible debt is not dilutive as they would decrease the loss per share attributable to equity owners.

12. Reconciliation of liabilities arising from financing activities

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

Year ended 30 June 2021

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

Year ended 30 June 2020

in USD	Loans and Borrowings	Derivatives	Total
Opening balances	1,433,637	11,014,183	12,447,820
Cash flows			
Proceeds	437,729	-	437,729
Repayments	(88,173)	-	(88,173)
Non-cash			
Interest accrued	231,873	-	231,873
Adjustment to fair value	-	442,278	442,278
Balance 30 June 2020	**2,015,066**	**11,456,461**	**13,471,527**

13. Related Party Disclosure

Related parties of the Group are considered to be Key Management Personnel and PHL. The terms of the Exit Financing are such that PHL may be considered as having significant influence.

InCoR was an entity with Common Directors who were deemed to have a significant influence over the Group. These directors have resigned since last balance date and InCoR is no longer deemed to have significant influence over the Group.

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

Entity with Significant Influence

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Derivative liability	9,905,972	9,347,263
Financing charges	-	-
Finance charges payable	1,424,215	1,424,215

Key Management

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Directors' fees and management fees	374,375	380,000
Amounts payable	1,424,243	1,050,048
Working capital financing from Directors' during the year, also outstanding at year end	100,619	-

Entities with Common Directors Who Have Significant Influence

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Interest-bearing loan	-	62,796
Derivative liability	-	1,977,972
Interest	-	12,796
Consultancy fees payable	-	116,113

14. Commitments, Contingencies and Contractual Obligations

Contractual Commitments: Acquisition of Interest in NBG

Under the terms of the SPSA disclosed in Note 4, Besra was required to pay a further $7.6 million consideration to Gladioli to acquire the remaining shares in NBG.

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

NBG from Pangaea by issuing 20.0 million CDI's to Pangaea at A$0.20 per CDI upon completion of the Listing. Pangaea acquired the 14,419 NBG shares on 6 July 2021. At the completion of the SPSA Variation, Besra's interests in NBG will increase to 97.8% and its equity-adjusted interest increased to 92.8%.

If Listing does not occur within 12 months of the date of the SPSA Variation, the obligations of Besra under clause 6(b) of the SPSA Variation to issue to Gladioli 12.5 million CDIs in Besra and 20.0 million CDIs shall terminate and Gladioli and Pangaea shall be deemed to have advanced to Besra, the sum of A$2.5 million and A$4.0 million respectively, which advances will be unsecured, have a term of 12 months, bear interest at the rate of 4% per annum capitalising six-monthly. In the event of a subsequent listing the advances will be convertible automatically into Besra shares at the relevant listing price and otherwise be repayable as to principal and accrued interest on maturity.

Convertible Notes and Other Borrowings
All commitments in respect of the Convertible Notes and Other Borrowings are unchanged as at 30 June 2021.

Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

There are no contingencies as at 30 June 2021 (2020: None)

15. Financial Instruments & Risk Management

Risk Management

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

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

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

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

During the year ended 30 June 2021, the Group was dependent on the ongoing support of its financiers, referred to in Note 3 above.

The tables below summarize the maturity profile of the Group's derivatives and financial liabilities based on contractual undiscounted payments and including estimated interest.

As at 30 June 2021:

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

As at 30 June 2020:

in USD	Within 1 Year	1-5 Years
Other borrowings	2,015,066	-
Trade and other payables	5,617,142	-
	7,632,208	-
Financial derivatives	11,456,461	-
	19,088,669	**-**

Commodity Price Risk

The performance of the Group is significantly related to the market 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 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, Australian dollar, New Zealand dollar and Malaysian ringgit.

The most significant transaction exposure arises in the related party in Canada.

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

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

At present, the Group does not hedge foreign currency transaction or translation exposures. The currency sensitivity analysis is based on the following assumptions:

- differences resulting from the translation of financial statements of subsidiaries or joint ventures into the Group's presentation currency, US$, are not taken into consideration; and
- the major currency exposures for the Group relate to the US$ and local currencies of subsidiaries and joint ventures. Foreign currency exposures between two currencies where one is not the US$ are deemed insignificant to the Group and have therefore been excluded from the sensitivity analysis. If the USD had strengthened by 5% (2020: 5%) then this would have had the following impact:

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Loss (Profit) for the year	(126,195)	(54,827)

If the USD had weakened by 5% (2020: 5%) then this would have had the following impact:

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
(Loss) Profit for the year	(126,195)	(54,827)

Credit Risk
Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the cash. 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 (2020: Nil).

Capital Management
The objective of the Group's capital management is to safeguard the entity's ability to continue as a going concern

The Company continually assesses the adequacy of its capital structure and makes adjustments within the context of its strategy, the mineral resources industry, economic conditions and the risk characteristics of our assets.

The Group manages its capital structure by performing the following:

- Preparing detailed budgets, by project, that are approved by the Board for development, exploration, acquisition and corporate costs;
- Routine internal reporting and Board meetings to review actual versus budgeted spending; and
- Detailed financial analysis to determine new funding requirements.

The Group's capital structure consists of interest-bearing loans and borrowings net of cash and cash equivalents and equity (which includes non-controlling interests). Total managed capital is as follows:

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Cash	(11,146)	(31,260)
Interest-bearing loans and borrowings	5,044,885	2,015,066
Derivative liabilities	21,778,785	11,456,461
Net debt	26,812,524	13,440,267
Shareholders' equity	(14,328,985)	(1,482,755)
	12,483,539	11,957,512

Financial Instruments

The fair value of interest-bearing loans and borrowings approximated the carrying values as at 30 June 2021 and 30 June 2020 due to market rates of interest and the consistency of credit spread. All other fair values of financial instruments, except for derivatives, approximate their carrying values due to their short-term nature.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The fair value of the derivative liabilities was determined using level 3 Inputs as described in Note 3 *Significant Judgements, Estimates & Assumptions.*

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

in USD	At amortised cost	Instruments at FVTPL	Total
Assets			
Cash and cash equivalents	31,260	-	31,260
Tax and other receivables	28,147	-	28,147
Balance 30 June 2020	**59,407**	**-**	**59,407**
Liabilities			
Payables and accruals	(5,617,142)	-	(5,617,142)
Interest bearing loans	(2,015,066)	-	(2,015,066)
Derivative liabilities	-	(11,456,461)	(11,456,461)
Balance 30 June 2020	**(7,632,208)**	**(11,456,461)**	**(19,088,669)**

16. Segment Reporting

The operations of Besra consist of one business unit, a sole gold exploration and development project in Malaysia with no current revenue and therefore management has deemed there to be only one reportable segment as disclosed for the 2021 and 2020 financial years. As such no additional segment reporting disclosures have been made.

17. Employee Remuneration

in USD	Year Ended 30 June 2021	Year Ended 30 June 2020
Wages, salaries	465,254	380,000

18. Events After the Reporting Date

Events after the reporting date that have occurred include:

a. On 6 July 2020 Pangaea acquired 14,419 NBG shares in accordance with the SPSA Variation (Note 14);

b. On 8 July 2021 the Company filed a replacement prospectus with ASIC (Note 3, Going concern);

c. On 24 September 2021 the Company received conditional listing approval from the ASX (Note 3, Going concern);

d. On 28 September 2021 the Minimum Subscription was achieved and accordingly the conditions for Conditional Admission had been achieved (Note 3, Going concern); and

e. Short term loans of $300,000 were arranged to meet ongoing working capital needs through to Listing.

19. Covid-19

The current Covid-19 pandemic has impacted on the financial affairs of the Company and is expected to have a short to medium term impact. The financial impact may

(a) result in logistical challenges in the impending capital raising that could cause delays in receiving the planned funding;

(b) result in uncertainties in the amount and timing of the capital raising as a result of the impact on investors and the stock market; and / or

(c) result in changes to the general economic outlook.

20. Changes in Accounting Policies, New Standards and Interpretations

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

21. Authorization of Consolidated Financial Statements

The consolidated financial statements for the year ended 30 June 2021 including comparatives were approved by the board of directors on 30 September 2021.

Signed:

John A G Seton

Director

Date: 30 September 2021

Signed:

Jon Morda

Director & Audit Committee Chairman

Date: 30 September 2021