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

for the 12 months ended 30 June 2020,2019 & 2018

The following MD&A provides a narrative from management's perspective of how Besra Gold Inc ("the Group" or "Besra") has performed over the 12 months for the 2020, 2019 & 2018 financial year, including its financial condition and its future prospects.

This MD&A both supplements and complements the Group's financial statements. All amounts quoted are USD unless otherwise stated.

Forward Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements").

All statements, other than statements of historical fact, which address activities, events or developments that the Group believes, expects or anticipates will or may occur in the future are forward-looking statements.

Forward-looking statements contained in this MD&A include, but are not limited to, statements with respect to anticipated developments in the Group's continuing and future operations, the adequacy of the Group's financial resources and financial projections; statements concerning, or the assumptions related to, the estimation of mineral resources, methodologies and models used to prepare resource estimates; the conversion of mineral properties to resources; the potential to expand resources; future exploration budgets, plans, targets and work programs; development plans; activities and timetables; 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, 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 years ended June 30, 2020, 2019 and 2018 and notes thereto (the "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 discussion covers the financial years ended June 30, 2020, 2019 and 2018 and the subsequent period up to the date of issue of this MD&A. Additional information relating to the Group is available at www.sedar.com.

The Group has prepared this MD&A in conformity with the requirements of National Instrument 51-102 ("NI-51-102").

These statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in United States dollars unless otherwise noted.

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 was 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 in an Emerging Market

Besra Gold Inc. (formally Olympus Pacific Minerals Inc)) ("Besra") is a Canadian incorporated public company, previously listed on the Toronto Stock Exchange, the Australian Securities Exchange and the OTCQX Bulletin Board in the United States.

Bau Gold Project

Besra is in a consortium with a Malaysian group with Bumiputra interests that owns rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia, being the 'Bau Gold Project'.

Besra's interest in Bau Gold Project stems from an Earn-In Agreement entered into between Zedex Minerals with Gladioli Enterprises Sdn Bhd and Golden Celesta Sdn Bhd in 2006.

The Bau Gold Project JV is managed by Besra through its majority owned subsidiary, North Borneo Gold Sdn Bhd, ('NBG') a Malaysian incorporated company. Through NBG, Besra currently controls 92.01% of the Bau Gold Project and has an 87.06 % direct interest. The other Joint Venturers are a Malaysian mining group, Gladioli Enterprises Sdn Bhd (Gladioli).

Key Personnel – experience in Malaysia

The Group's senior management and directors have direct experience in mining activities within Malaysia.

Mr Seton, Besra's CEO, has been involved with the Group's investment in the Bau gold project since its acquisition in 2006. As at June 30 2020 Ms Bennett and Mr Terry, directors of the Group, had ongoing business activities in Malaysia. Mr Morda, Chairman of the Group's Audit Committee and a former CFO of Alamos Gold Inc., has more than 21 years global mining experience and has visited the Bau site. Mr Terry resigned as director in 6th August 2020 and was replaced by Mr Andrew Worland.

Mr Worland is a mining executive based in Perth, Western Australia and has over two decades of experience working in senior finance, corporate and project management and marketing roles in the Western Australian mining sector for ASX and TSX listed companies. He is the President, CEO of LeadFX Limited, which owns the Paroo Station Lead Mine in Western Australia. Most recently he has held the role as General Manager and Company Secretary of ASX listed Toro Energy Limited whose main undertaking is the Wiluna Project. Prior to Toro Energy, he was part of the executive team of Moly Mines Ltd which successfully completed a dual listing on the ASX and TSX in 2006.

TBesra's 's Project Manager for the Bau Gold Project, Mr Kevin Wright, who previously worked for the company on its former Vietnamese mines, was for nine years general manager for Monument Mining Ltd's Selingsing Mine in Malaysia and is a resident of Kuala Lumpur.

Property Description & Location

Besra's Bau Gold Project is located on the Island of Borneo in Sarawak, Federation of Malaysia. The project area is centred on the township of Bau some 40 km WSW of the state capital of Kuching (population ~640,000); see *Figure 0-1 - Property Location Plan* below.

Besra's Bau Gold Project is a brown-field project comprising Mining and Exploration tenements that cover more than 1,340km^2 of the most highly prospective ground within the historic Bau Goldfield, spread over 3 regions in Sarawak.

The focus of Besra's activities are contained in concessions encompassing the Bau district including its historic gold field workings.

Besra also holds two additional concessional areas, known as Block C (Serian) and Gunong Rawan. Both lie east of Bau nearer to the Sarawak/Kalimantan border and, compared to the Bau concessional area, both are much more immature in their exploration status, containing no identified prospects and no delineated NI 43-101 compliant Resources.

Figure 0-1 - Property Location Plan

Local infrastructure, community and environment, including language and cultural differences

As shown in Figure 0-1 Kuching, the capital of Sarawak, is located to the north of all three concession areas. It is a sophisticated city with international airport and deep-water port facilities, the Kuching district itself having a population of approx. 640,000 people.

The centre of the Bau concessions is located approximately 30 km from Kuching, at the township of Bau. Bau township itself, with a population of 6,000, is the local service centre, and an important source for skilled labour, earth moving equipment, accommodation, general supplies and services. The main industries in the Bau district are limestone quarrying, fish farming, rice farming, palm oil and rubber production. Bau's main population groupings are Bidayuh, from the Dyak ethnic group, and Chinese who are mainly descendants of early miners who arrived in the mid to late 19th Century to exploit the gold and antimony deposits at Bau.

The area around Bau township is dotted with Kampung (village) style residential and 'farmlet' developments. Most of Bau's lowland areas have been subject to extensive clearing associated with agriculture and historical gold mining pursuits. Limestone quarrying is a major employer at Bau township, and there is strong community support of mining operations as a source of further employment opportunities, especially since the closure of the last operating gold mine, at Tai Parit, in 1996.

Sarawak environmental standards are consistent with those of most developing economies which are seeking to balance primary industry activities, such as mining, with sustainable environmental practices. Besra follows international best practice.

With its proximity to 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 Indonesia. The airport is only a 40 minute drive from the Bau Gold Project 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;
- Excellent 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 important mines and gold prospects are linked by road;
- 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;
- Well educated workforce which is strongly supportive of the project;
- An active quarrying industry focused mainly on limestone and marble extraction for roading aggregates and agricultural purposes;
- Ready supply of earthmoving equipment that supports the existing quarrying industry; and
- A local labour source with mining experience gained from the quarrying industry and past gold mining activity.

Sarawak Legal Framework & Investment Climate

The State of Sarawak was formerly a British protectorate, located in the north-western part of the island of Borneo. It was first established as an independent kingdom originating from a series of land concessions acquired by an Englishman, James Brooke, from the Sultanate of Brunei. Sarawak received recognition as an independent state from the United States in 1850, and from the United Kingdom in 1864.

As a state of Malaysia, a member of the Commonwealth of Nations, Sarawak has a Westminster parliamentary system and a British common law legal system in which the mineral rights vest in the State. Its currency is the Malaysian Ringgit (currently trading in the range USD1.00 = MYR4 to MYR4.15).

Malaysia has been a member of the World Trade Organisation ("WTO") since 1 January 1995 and has made various commitments pursuant to the General Agreement on Trade in Services ("GATS") including setting out the transactions relating to investment in Malaysia which would require approval. Since Malaysia is a member of the WTO, foreign companies under the terms of the WTO membership are expected to be treated on an equal basis as Malaysian Companies.

No restrictions are imposed on foreign companies investing in Malaysia with regard to repatriation of capital, interest, profits and dividends.

Regulation of Mining Industry & Foreign Investment in Malaysia

With mining currently representing about 20% of GDP, Sarawak's mining legislation is mature, operating within a framework having similarities with Canadian jurisdictions, including the awarding of mining concessions and payment of royalties to the State. The two main legal instruments governing Besra's mining activities in Sarawak are:

- The Mineral Development Act 525 of 1994 which defines the powers of the Federal Government for inspection and regulation of mineral exploration and mining and other related issues; and
- The State Mineral Enactment which provides the States with the powers and rights to issue mineral prospecting and exploration licences and mining leases and other related matters.

In accordance with the State Mineral Enactment Sarawak's exploration and mining rights are now issued under the Minerals Ordinance 2004 and amendments, as well as the Mining Rules (1995).

The Bau concessional area comprises eight Mining Certificates (MCs), 11 Mining Licences (MLs), seven Exclusive Prospecting Licences (EPLs) and three General Prospecting Licences (GPLs); cumulatively covering 346.94 km^2. MCs and MLs are granted for a maximum term of 21 years. Parties may apply for a General Prospecting Licence or an Exclusive Prospecting Licence for an initial term of two years (with one renewal period for a further two years). Mining operations require a Mining Lease, or in the case of a Mining Lease where the boundary survey of the area has not been completed, a Mining Certificate. In either case, the

maximum term is 21 years. The mineral tenure regime in Sarawak is explained in more detail in the next section.

Royalties are payable to the State of Sarawak for certain minerals but not for gold.

The Governor of the State of Sarawak has statutory rights to forfeit or cancel mining tenements if there is a breach of or default in the observance of any of the covenants or conditions attached to the relevant Mining Tenement.

Mineral Tenure Regime

As noted above, all mineral resources in Malaysia are state owned and exploration and development of minerals requires application for an appropriate licence of tenure. As shown in Table 1-2 in Sarawak tenure comprises four classifications.

The following *Table 1-2: Sarawak Mining Tenure Types - General Prospecting Licence (GPL)* summarises the exploration and mining tenure types that are applicable in Sarawak, and to the Bau Gold Project.

Licence Type	Parameters	Parameter Description
General Prospecting Licence (GPL)	Max Size	200 km^2 (50,000 acres) Pre 1991 tenements may be larger
	Term	2 years standard Renewable to maximum 6 years (3 x 2yrs) Convert to EPL after 1st 2 year term
	Rental	RM 0.50/Ha/year payable at start of term
	Obligations	No minimum expenditure 6 monthly report within 30 days Final report within 3 months of term expiry date
	Notes	Renewal application with final report 50% compulsory relinquishment end of 1st 2 year term Additional 10% relinquishment after 2nd 2 year term

Table 1-2: Sarawak Mining Tenure Types - General Prospecting Licence (GPL)

Licence Type	Parameters	Parameter Description
Exclusive Prospecting Licence (EPL)	Max Size	20 km^2 (5,000 acres) Pre 1991 tenements may be larger Multiple EPL's allowed up to max.
	Term	4 years standard Renewable for subsequent 4 years
	Rental	RM 1.50/Ha/year (or part thereof) payable at start of term
	Obligations	Minimum expenditure of RM 75,000 over EPL term (4yrs) 6 monthly report within 30 days Final report within 3 months of term expiry date
	Notes	Renewal application with final report No compulsory reduction for 2nd term

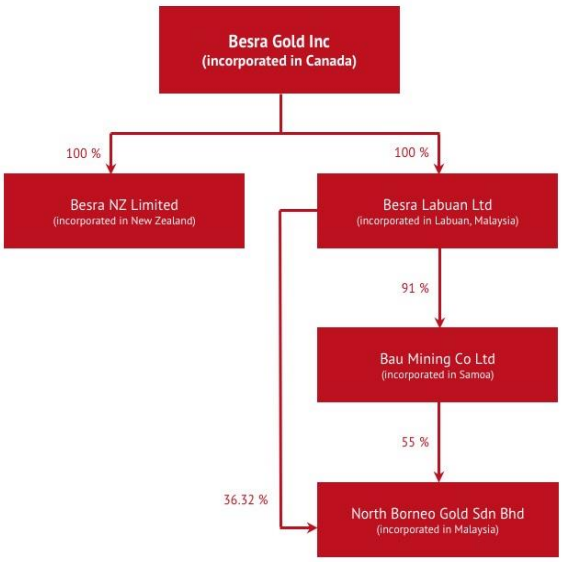
Table 1-3: Sarawak Mining Tenure Types - Exclusive Prospecting Licence (EPL)

Licence Type	Parameters	Parameter Description
Mining Certificate (MC)	Max Size	2,000 hectares Pre 1991 tenements may be larger
	Term	21 year maximum Renewal 1 year before expiry
	Rental	RM 10/Ha/year (or part thereof) paid annually 10% penalty for any arrears
	Obligations	No minimum expenditure Final report within 3 months of new calendar year (March)
	Notes	Does not extinguish any previously existing land titles and allows mining in unalienated land with the permission of the owner and requires negotiation of compensation and royalty

Table 1-4: Sarawak Mining Tenure Types - Mining Certificate (MC)

Licence Type	Parameters	Parameter Description
Mining Licence (ML)	Max Size	2,000 hectares
	Term	21 year maximum Renewal 1 year before expiry
	Rental	RM 10/Ha/year (or part thereof) paid annually 10% penalty for any arrears
	Obligations	No minimum expenditure Final report within 3 months of new calendar year (March)
	Notes	In the case of unalienated land, all land issues such as Native Customary Rights must be recorded by Lands & Surveys Department prior to the issuance of ML If no renewal, the land reverts to 'State land' irrespective of what other titles may have pre-existed

Group corporate structure



Overall Highlights

The Group Financial Statements prepared on a consolidated basis and this MD&A have been prepared as if Besra was a new issuer formed to acquire and operate the Bau Gold Project.

On 27 April 2020, Besra announced the signing of a mandate agreement with Global Investment Bank Canaccord Genuity (Australia) Limited ('Canaccord') to act on an exclusive basis as Lead Manager for an issue or sale of new fully paid ordinary shares in the common stock of the Company to raise an amount to be determined as part of an initial public offering capital raising and listing on the Australian Securities Exchange (ASX).

Signing of the Canaccord mandate crystallises Besra's forward plans to expand and develop the Bau Gold Project.

A condition of the Canaccord mandate is the conversion of all debt and other liabilities into equity so that Besra can emerge at the IPO with a clean balance sheet, no debt and unencumbered cash to advance the Bau Gold Project.

Performance Highlights

For the year ended 30 June 2020 the Group recorded a net loss of $1,538,822 (2019: $22,500,323), resulting in a (0.319) cent earnings per share (2019: (3.914)) cent earnings per share.

Apart from corporate and administrative expenses in 2020 of $780,427 (2019: $1,736,860), the other significant charges to the Consolidated Statement of Income for the year were exploration expenses of $237,604 (2019: $104,700) and the derivative fair value revaluation of $442,278 was expensed (2019: gain of $6,794,646).

Summary of assets held

The 30 June 2020 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc.

During 2020 the Group had limited funds available for exploration work. The Group's ability to obtain additional funds include but are not limited to:

- the proposed listing of Besra on the ASX in the latter half of 2020.
- favourable gold price commodity conditions; and
- the relative maturity of the Bau Gold Project including its significant resource inventory and potential for future development.

In line item terms the total exploration and evaluation asset for 30 June 2020 was $17,506,422 whereas total liabilities amounted to $19,088,669.

As appropriate an impairment review was undertaken for the year ended 30 June 2020. From this review the Group concluded that there had been no significant change to the facts and circumstances which would require that a change to the carrying value of its assets is appropriate. Therefore, management and the Directors conclude that no impairment is necessary for 30 June 2020.

Previously, during the 2019 year, Besra also undertook impairment testing. This involved the preparation of the Enterprise Value of Besra based on a pre-IPO (ie. 'Initial Public Offering') valuation of $17.5 million by an appropriate qualified independent third party. The asset component of this Enterprise Value comprises Besra's mining assets in Sarawak.

Upon listing the implied market value of a company's assets are usually different from their carrying value in the company's accounts. The Enterprise Value was stress tested against other companies with similar assets (focusing on the inventory of NI 43-101 compliant resources) as well as other inputs appropriate at that time, to ascertain the fidelity and sensitivity of that valuation. Based on this testing the Group concluded that it was necessary to impair the then 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.

For the year ended 30 June 2020 no further Impairment was considered necessary, based on there being no change to the facts and circumstances concerning the carrying value of Bau.

During the year ended 30 June 2020, the Group made a loss of $1,538,822 (30 June 2019: a loss of $22,500,323). As at 30 June 2020, the Company's current liabilities exceeded its current assets by $19,021,776 (at 30 June 2019: $15,082,550). Combined Cash and cash equivalents on hand at 30 June 2020 is $31,260 (30 June 2019: $22,467).

Corporate Strategy & Business Overview

Summary of Operations & Outlook

The review of the results of operations should be read in conjunction with the Group's audited consolidated statements and the related notes for the year to 30 June 2020.

Summary Statement of Financial Position comprises Derivative liabilities and loans of $13.47m (2019: $12.45m) which funded the significant exploration asset, Bau, and the operations of the company in 2020 and 2019.

	30 June 2020	30 June 2019	30 June 2018
Total Assets	**17,605,914**	**17,586,915**	**50,984,214**
Current Liabilities	19,088,669	15,115,839	5,701,467
Non-current Liabilities	-	2,415,009	22,726,357
Total Equity	(1,482,755)	56,067	22,556,390
Total Liabilities & Equity	**17,605,914**	**17,586,915**	**50,984,214**

The obligations of the Group under one of the Convertible Notes is secured by a general security agreement over the Group's assets and by share pledge arrangements.

Loan Liabilities valuation and analysis

in 2018 financial year, the loan liability valuations were prepared on each of the Group's loan liabilities, categorized as 'derivative liability', which have embedded equity features. by applying a valuation methodology that uses a binomial lattice model to calculate the value of the loan liabilities, each of which have equity conversion features, as a function of the Group's stock price.

For the 2020 and 2019 financial years the loan 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.

Changes in loan liabilities fair value are reflected in the Statement of Financial Position as Derivative Liability under Current Liabilities and have otherwise been accounted through the profit and loss.

Summary Statement of income

	30 June 2020	30 June 2019	30 June 2018
Gold Sales*	-	-	-
Corporate and administrative expense	780,427	1,736,860	1,216,696
Exploration expense	237,604	104,700	3,379
Depreciation and amortization	14,605	22,038	19,779
Impairment charges	-	33,270,000	-
Derivative fair value revaluation	442,278	(6,794,646)	(191,647)
Finance Charges**	63,908	1,499,598_	(160,394)
Loss before Income Tax	1,538,822	29,338,550	887,813
Income tax (recovery) expense	-	(7,338,227)	(265,970)
Net Loss after Tax	**1,538,822**	**22,500,323**	**621,843**

* The Group is at an exploration stage, and Bau is under care and maintenance. There were no sales, in 2020, 2019 or 2018.

** **Summary of finance charges:**

	30 June 2020	30 June 2019	30 June 2018
Interest on borrowings and notes	132,190	39,049	-
Finance expenses	-	1,424,245	-
Foreign exchange (gain), net	(68,282)	36,304	(160,394)
	63,908	**1,499,598**	**(160,394)**

Bau Gold Project – an overview

The Group's sole exploration and evaluation asset is entirely comprised of the Bau Gold Project, comprising three discontiguous concession areas located in Sarawak Malaysia (Figure 0-1):

- mining and exploration tenements that collectively cover more than 1,340km^2;
- 3.03 Moz Measured, Indicated and Inferred Resources present within the Bau concessional area. This resource inventory may be subject to revision as a result of notice of intention for the revocation of certain mining licences, as discussed below;
- a completed Stage 1 feasibility study for production of the Jugan Hill Bukit Young-Krian deposits;
- considerable ounce and grade upside identified within the Bau concessional area;
- zero royalty on gold;
- favourable taxation rates; and
- within a jurisdiction with a robust legal system and bureaucracy.

The Group is in a consortium with a Malaysian group with Bumiputra interests that owns rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia.

The feasibility study for Stage 1 of the Bau Gold Project was completed in the financial year ended 30 June 2014. The Bau Gold Project is currently on care and maintenance as the Group has insufficient funds to carry on additional field work

The Group's plan to conduct an IPO In YE 2020 will raise capital sufficient to fund a programme to expand the current mineral resource inventory and target new discoveries, while advancing the scoping and feasibility studies for stand-alone and integrated multiple deposit development.

Results of Operations

	30 June 2020	30 June 2019	30 June 2018
Administration & Other Expenses:			
Professional & Consulting Fees	145,782	482,055	351,010
Management & Administration	218,078	788,223	433,197
Labour Expense	216,679	192,900	135,690
Travel & Accommodation	-	12,422	53,564
Office & Facilities	31,143	73,195	72,779
Insurance	28,745	48,065	54,001
Directors Fees	140,000	140,000	116,455
Exploration Expense	237,604	104,700	3,379
Depreciation	14,605	22,038	19,779
Derivative Revaluation	442,278	(6,794,646)	(191,647)
Finance Charges	63,908	1,499,598	(160,3940
Impairment Charges	-	33,270,000	-
Deficit from Operations	**1,538,822**	**29,838,550**	**887,813**

Exploration & Evaluation Expenditure	237,604	104,700	3,379
Explorations & Evaluation Asset Bau	17,506,422	17,506,422	50,771,582
Property, Plant & Equipment	32,599	47,204	69,243

Bau Gold Project Exploration and Evaluation Expenditure Detail

	30 June 2020	30 June 2019	30 June 2018
Assays & Assessment Supplies	-	-	-
General Equipment & Supplies	2,699	-	-
Drilling Expense	-	-	-
Exploration Office Expenses	-	-	3,379
Permits and Fees	21,819	5,068	-
Travel & Accommodation	-	-	-
Contractors & Consultants	45,175	34,140	-
Labour Expenses	159,909	65,159	-
Transport	-	-	-
Insurance	8,002	333	-
	237,604	**104,700**	**3,379**

Notice of intention to revoke certain Mining Licences

On June 8th, 2018 the Group received a letter from the Ministry of Urban Development and Natural Resources ('UDNR') advising of its intention to revoke within 30 days four Mining Licences ('ML's') in the Bau Gold Project encroached upon by the Dered Krian National Park ("DKNP"):

ML #	AREA (Ha)
ML/01/2012/1D	50.679
ML 1D/136/ML/2008	12.735
ML/03/2012/1D	139.60
ML/04/2012/1D	49.384
TOTAL:	**252.398**

The DKNP covers 1,920 Ha peripheral to Gunung Krian. The DKNP boundaries encompass most of the elevated Upper Bau limestone terrain that lies immediately south of Bau township.

The reason given for revocation was "contravention of sections 45(1) (c), 56 and 57(1) of the Minerals Ordinance 2004, by not commencing development work within 9 months of the date of grant of the ML's".

As of the date of this Report, the ML's have not been revoked and the Group has been in dialogue with UDNR about a voluntary partial surrender or excision from the ML's of the land within the DKNP boundaries. On the basis that the land within the DKNP is surrendered, the project's global resource is above 3.02M oz and the global reserve would remain unchanged at 10.662 Mt @ 1.70 g/t Au (containing 0.68M oz Au).

Summary of work completed on Bau Gold Field Project in 2019-2020

Quantification of Bau Reserves and Resources to comply with JORC (2012)

Since project inception, NBG has been conducting exploration to validate and improve the geological definition of previously established resources within the Jugan, Pejiru, Sirenggok and BYG.

For the purposes of the Feasibility Study Stage 1, Bau Gold Project Resources complied with the JORC 2004 Code.

In 2018, in keeping with common practice, these Resources were re-classified in accordance with the JORC 2012 Code.

Category	Tonnes	Grade (g/t)Au	oz Au
Measured	3,405,600	1.52	166,900
Indicated	17,879,700	1.67	958,000
M & I	21,285,300	1.64	1,124,900
Inferred	50,206,400	1.35	2,181,600
M & I & I	71,491,700	1.44	3,306,500

The resulting Bau Gold Project JORC 2012 Mineral Resource estimates (using a 0.5 g/t Au cut off) are as tabulated above.

These estimates have been prepared based on, and fairly represent, information which has been compiled by employees of Besra Gold Inc under the supervision and guidance of the Project Director (Mr Kevin Wright), who is an employee of Besra Gold Inc and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum (FMCIM) and Institute of Materials, Minerals and Mining FIMMM).

Report on Bau Gold Project Exploration Target

A report was completed in July 2019 identifying the Exploration Target potential of the Bau Gold Field Project area as defined by the JORC 2012 Code.

This report was compiled by employees of Besra Gold Inc under the supervision and guidance of the Project Director (Mr Kevin Wright), who is a consultant to Besra Gold Inc and a FIMMM. These were compiled for six of the key project areas for which JORC 2012 compliant Resources had previously been delineated.

The Exploration Target inventory, tabulated below, is separate and additional to those Resources already delineated. In aggregate they range between 4.9 – 9.3 Mil Oz representing, for the most part, estimates stepping out from existing JORC Resources in five of the major project areas.

This Exploration Target inventory provides significant comfort that enhanced throughput models based on the existing feasibility study which is based on an extended life of mine and throughput capacity will have a technical basis of support.

BAU EXPLORATION TARGET POTENTIAL						
Deposit	**Tonnage Range (Mt)**		**Grade Range (g/t Au)**		**Gold Potential (M Oz)**	
	From	**To**	**From**	**To**	**From**	**To**
Pejiru	30	42	1.76	2.44	1.7	3.3
Jugan	34	40	1.82	2.50	2.0	3.2
Say Seng	7	10.5	1.42	1.60	0.3	0.5
Sirenggok	8	11.4	1.15	4.25	0.39	1.56
Bekajang	8	9	2.0	3.0	0.50	0.80
Combined:	**87**	**112.9**	**1.74**	**2.55**	**4.89**	**9.27**

The above grade and tonnage estimates relate to mineralisation "potential" within defined deposit extensions.

Since insufficient exploration has yet been conducted to allow JORC estimation of mineralization within these extensions, the above estimates are only conceptual in nature and it is uncertain whether further exploration will achieve the estimation of additional Mineral Resources in all or any of these deposits.

Work Plan for Pilot-Scale Processing

NBG has prepared a Work Plan outline for pilot-scale processing. The strategy for near-term exploration and bulk sample mining was for Pejiru (MC KD/01/1994) and Jugan-South (ML 140 and ML 01/2013/1D)

The Work Plan included the Pilot Plant's conceptual design, including flow diagram, equipment list with brand, specifications, air emissions; water and land quality-sediment, hydrocarbon, and chemicals. Develop timeline for construction. SOPs developed for operations and pollution mitigation, monitoring programmes; and implementation and maintenance of sustainable Management Best Practices.

Key components of the study included:

Selection of MLs Areas for Mining

- Engage in site selection, rock type samples and analysis parameters, geological mapping and interpretation, style, and nature of mineralisation;
- Obtain permission from the landowner to undertake geological reconnaissance and later bulk sample mining;
- Geological mapping work superimposing the survey topographical maps over geologic unit boundaries;
- Carry out sample sequencing, priority, procedures and comply with quality requirements;
- Field data documentation and preparation of geologic plans and sections, complete with outcrops, fault structural features that would impact mine design and slope stability. Develop geological maps and models; and
- Sample analysis and suitability of field data for mining resource modelling of new resources as well as updated estimates.

Mining Operations:

The bulk sample mining activity mainly comprises Waste Removal, Ore Deliveries and Associated Works

- Clearing the mining areas of vegetation and stockpiling; stripping mining areas and stockpiling topsoil, setting out, blast hole drilling, sampling, charging the blast holes and blasting;
- Construction of Mining Pit access roads and haul roads;
- Excavation of ore from the benches for delivery to the in-pit crushing plant ore stockpile;
- Removal of waste from the mining benches to the waste dump areas;
- Management of the Waste Dump Stockpile;
- Mine haul and access road maintenance;
- Waste dumping and ore delivery areas;
- Drainage and dewatering of the working areas including mining pits, haul roads as required and reclamation of disturbed areas; and
- Mine operations planning.

Pilot Plant Operations:

Bulk sample ore from the mining test cut is delivered to the mobile crushing plant stockpile located in the mining pit and a wheel loader feeds the primary jaw crusher feed bin which drops the ore into the jaw crusher.

- The jaw discharge is taken by conveyor to the secondary crusher-screen where the undersize is delivered to the final product screens via the secondary product feed conveyor;
- The secondary crusher screen oversize is directed to the secondary cone crusher for further size reduction. This crusher also discharges onto the secondary product screen feed conveyor for classification at the final product screens;
- Screen oversize is directed back to recycle crushing via the secondary cone crusher feed conveyer;
- Final product screen undersize is directed via final conveyor to the Pilot Plant stockpile.

Figure 2: Example of In-pit Two Stage Crushing

Milling grinds the product from the crushing process to a size that is amenable to flotation. Screening the mill discharge product for re-grinding is necessary as it is not 100% efficient at achieving the desired product size first time through.

- The Ball or Rod Mill is fed from the crushed stockpile and the discharge is delivered to the Centrifugal Concentrator via a screen to remove coarse material which is returned the mill feed chute for regrinding;
- Any gravity gold component not removed from the slurry first pass by the Centrifugal Concentrator also passes back through the mill for regrinding; and
- Mill balls and rods are charged at a controlled rate based on sieve size analysis of the discharge slurry.

Figure 3: Example of Pilot Plant Rod/Ball Mill

Gravity concentration works when free gold particles are large enough that continuous movement causes the heavier gold particles to separate from the lighter host rock particles.

- The ore is crushed and ground down to particles small enough to provide a significant specific gravity difference among the particles;
- Free non-refractive gold present in the near surface bulk sample will be collected by gravity concentration prior to flowing through to the flotation process;
- The two types of gravity separators considered for the Pilot Plant are Centrifugal concentrators and Shaking tables which will be operated in in series, the table concentrating the finer gold from the centrifugal tails;
- The Centrifugal Concentrator removes the gravity gold component from the slurry and its tails pass back through the mill for regrinding;
- The Centrifugal Concentrator operates in batch mode and periodically is stopped and the gravity concentrate flushed into a settling cone; and
- After the regrind tails have been treated by the Centrifugal Concentrator a second time, the “final” tails are collected in drums for dispatch to the flotation circuit.

Figure 4: Example of Pilot Centrifugal Concentrator

For the flotation process gold ore slurry is conditioned with chemical agents, agitated intensely and air sparged to produce a high gold grade froth concentrate.

- Certain non-toxic chemicals reagents added to the slurry float the gold associated with pyritic minerals, and depress other minerals;
- Flotation of bulk feed is subjected to several stages in series, each stage increasing overall concentrate gold grade;
- Highly oxidized ores generally do not respond well to flotation and are recovered by the gravity circuit.
- The slurry that does not float with the froth sinks and is discharged as tailings in a containment facility; and
- Cyanidation of flotation tailings recovers the non-pyritic gold minerals.

Advantages of the flotation process are that gold values are generally liberated at a fairly coarse particle size which means that grinding is minimized.

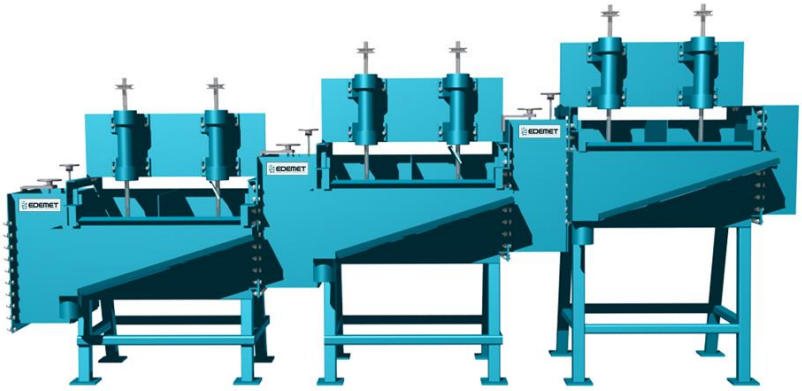


Figure: Example of Three Stage Pilot Flotation

The quantity of tails generated is about the same as the mined quantity of feed to the plant since only the gold minerals are recovered. Due to inert nature of process reagents and recycling and treatment of process water discharged meets compliance of Sarawak governing authorities.

Future Work on Bau Gold Project

Subject to listing and funding, Besra's future activities on the Bau Gold Project will entail:

- Extending prospective Life of Mine settings through expanded single pit and/or integrated multiple pit development based on upgrading the classification of resources and increase of the global resource inventory to circa 5 Moz;
- Increasing average gold grade of the global resource inventory;

- Designing processing streams best suited to the metallurgical performance of delineated feed stock including blended feedstock, by comparison in a variety of processing streams including consideration of small scale or pilot plant operations.

At the time of this Report the quantum of funds available to Besra, in the event of listing, is not yet known. As such the extent of these future activities cannot be specified within the context of a detailed use of funds. Nevertheless, for purposes of generality these funds will be used to support Besra's activities which broadly fall under two heads; exploration drilling and metallurgical and processing studies.

The drilling component of Besra's future activities will focus on the Pejiru, Jugan, Bekajang and Sirenggok sectors of the Bau Project area where the drilling will be designed to:

- upgrade the classification of resources and increase of the global resource inventory to circa 5 Moz; and
- Increase the average gold grade of the global resource inventory.

The metallurgical and processing components of Besra's future activities will be designed to:

- Provide better understanding of the metallurgy of potential future ore feedstock in the principal deposits of the Bau Gold Project including their spatial and depth variations, as well as various combinations of blended feedstock from multiple deposits; and
- Designing processing streams best suited for potential future ore feedstock combinations, including possible pilot or small-scale plant operations to provide more robust performance data than otherwise possible with benchtop-based studies.

Future metallurgical studies will be broadened beyond the Jugan Sector to include extensive investigation of the Pejiru, and Sirenggok sector deposits. Previously, as part of the 2013 pre-Feasibility Study, metallurgical studies focused on the Jugan and BGY mineral deposits which are predominately hosted within the Pedawan Formation. By contrast Pejiru and Sirenggok's mineralisation is hosted within the Bau Limestone and Miocene aged intrusives, respectively.

Summary of work completed on Bau up to 2019

Ore Samples & Deportment Test

A mineralized breccia sample from Juala was selected to represent the various type of mineralization in the Bau Goldfields for the gold deportment and flotation test work. The sample was sent together with other samples from other areas to AMTEL Laboratory in Canada.

Juala Sample: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(Wt %)			
Juala (297231)	Breccia	22.0	6.78	0.48	0.40	0.22	0.02

The result shows that the flotation gold recoveries potential is approximately 70%.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297231	Juala	6.78	71	2.3	+9

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

iv. Calcite is the main gangue mineral.

Unmanned Aerial Vehicle (UAV) / Drone Survey for Arong Bakit Area B of ML/04/2012/1D

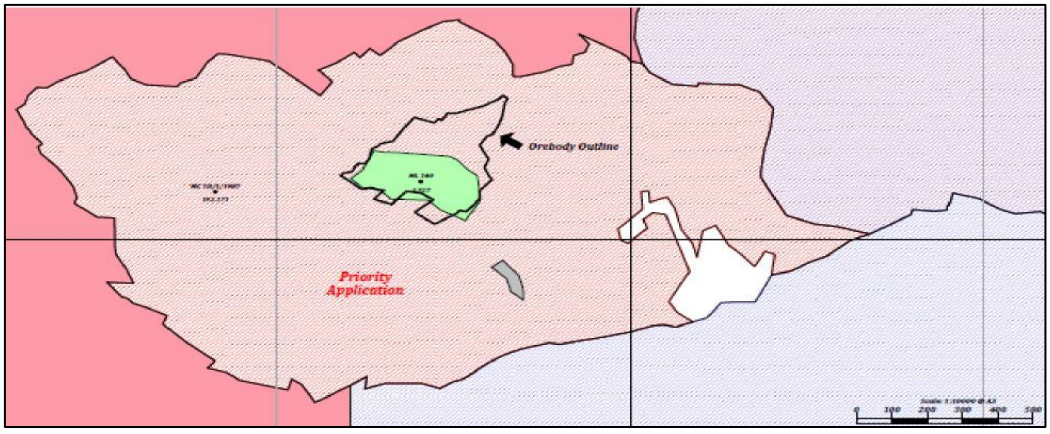
Further to the EMP approval, an Unmanned Aerial Vehicle (UAV) or drone survey has been carried out in Area B of ML/04/2012/1D and completed in February 2018 by Resources Surveys Services of Kuching with the objective of estimating the in-situ (in-place) limestone/marble reserve and acquiring topographic plans for mine planning purposes.

From the UAV volumetric survey, the in-situ limestone/marble reserve estimated from ground level (approximately 10 m above mean sea level) and above within the boundary of Area B of ML/04/2012/1D is about 42,600,000 m^3 or approximately 113,000,000 metric tonnes.

Mining leases: ML/05/2012/1D (ML 140) & ML 01/2013/1D (Jugan & Sirenggok)

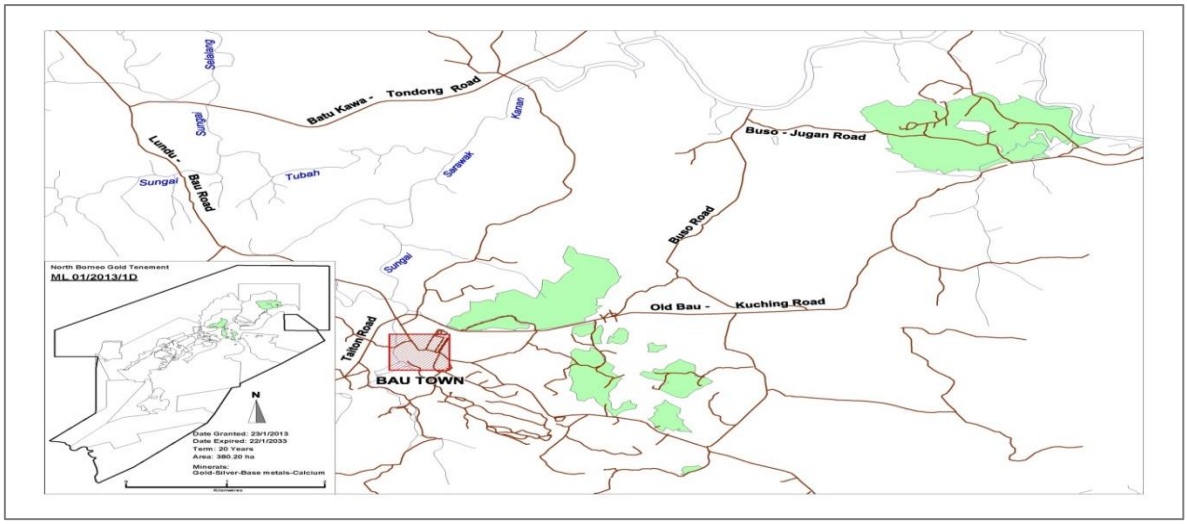
Renewed Mining Lease ML/05/2012/1D (ML 140) (formerly ML 119) is located at Jugan Hill, 6 km's northeast of Bau. It is 5.281 hectares in area and was granted to Gladioli Enterprises Sdn. Bhd. on the 10th January 2005 for a period of twenty years. ML 05/2012/1D (ML140) covers Jugan Hill, which comprises the central portion of the Jugan gold resource.

<u>Tenement Location</u>



Map Showing Detailed Relationship of ML140 with ML 01/2013/1D

ML 01/2013/1D (formerly MC 1D/1/1987) covers 380.2 Ha, and comprises several discrete, discontiguous, parts. The northerly part covers an area surrounding ML140 (as shown above) and includes part of the Jugan gold resource. The southern parts cover areas around the SW flank of Sirenggok and to the west of Bau Township. ML 01/2013/1D was granted to Gladioli Enterprises Sdn. Bhd on 23/1/2013 for a period of 20 years.



Location Map Showing the Various Parts of ML 01/2013/1D

Ore Samples & Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. The sample from Jugan represents sedimentary (siltstone-shale) hosted mineralization whereas the Sirenggok sample represents intrusive hosted mineralization.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Jugan and Sirenggok Samples: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(wt %)			
Jugan (297232)	Shale-siltstone	54.1	3.32	1.24	4.10	2.51	0.04
Sirenggok (297230)	Intrusive	26.4	1.65	1.5	0.25	2.03	0.03

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show that the highest flotation gold recoveries potentials (90% +) are with Jugan and Sirenggok.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297232	Jugan	3.32	93	9.8	+0

297231	Sirenggok	1.65	94	3.5	+1

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

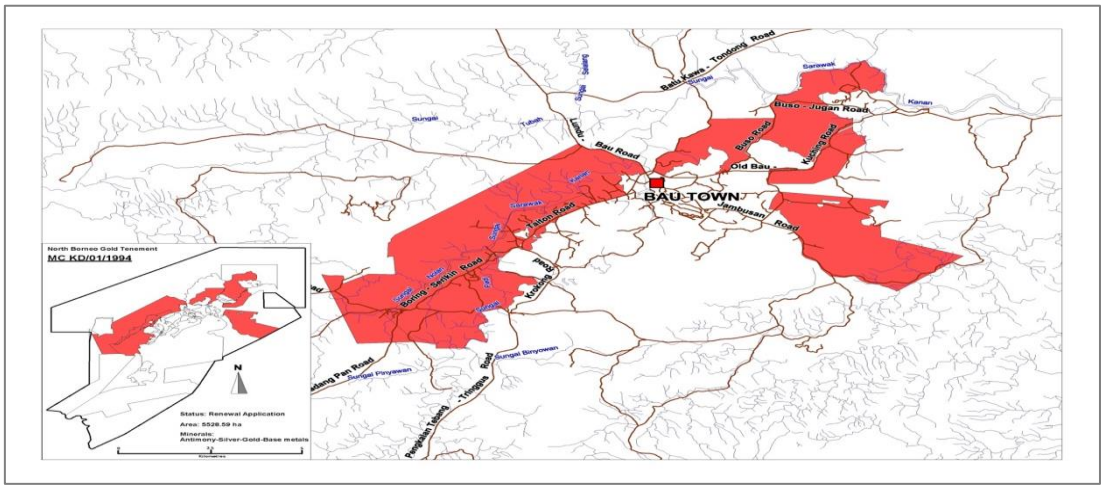
iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

iv. Calcite is the main gangue mineral.

Mining certificate: MC KD/01/1994 (Sirenggok, Jambusan and Pejiru)

Tenement Location

MC KD/01/1994 was granted to Gladioli Enterprises Sdn Bhd on the 27th October 1994 for a period of 20 years. An application for the renewal of MC KD/1/1994 has been submitted to the Authority on 17th October 2013, at least one year prior to the expiry date on 26th October 2014. The Mining Certificate (MC) consists of three separate, non-contiguous tenement areas that lie within a 10-kilometre radius around the township of Bau. The centre of the tenement is situated 2.2 kilometres north-east of Bau township and the south-western boundary lies only 300 metres from Bau.



Location Map of MC/KD/01/1994, Bau District

Drilling Programme

In 2018 a small drilling campaign for the Bekajang Sector was carried out. A total of 5 diamond drill holes, with a total length of 710.90 m were drilled in the sector, namely in Pejiru and Pejiru Extension prospect. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to upgrade the existing resources and for fresh metallurgical samples.

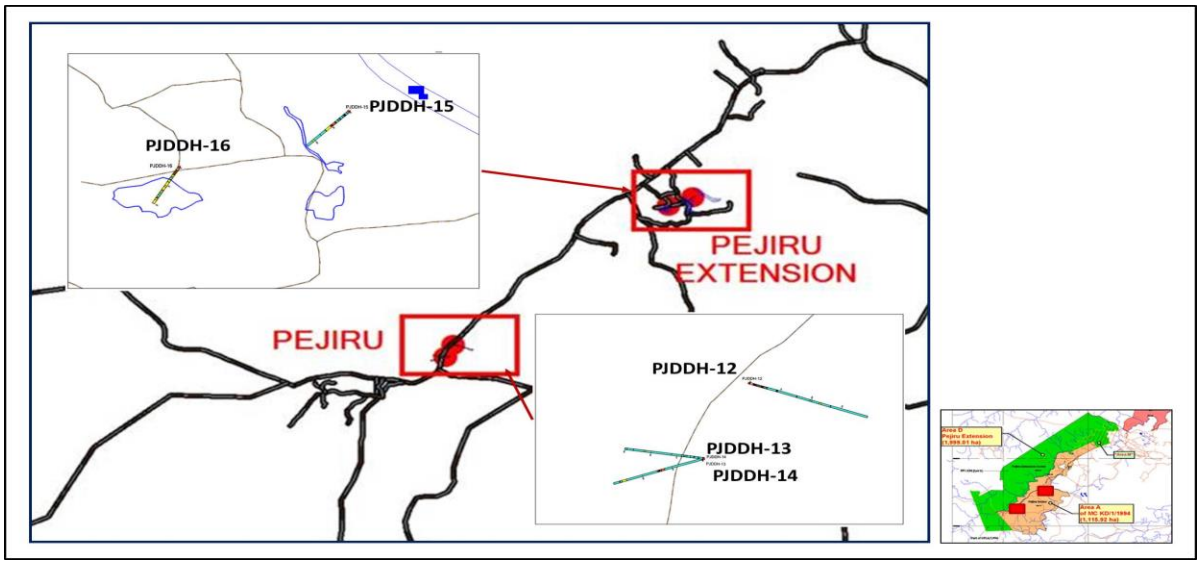
Drilling programme - Pejiru Sector prospect

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Pejiru	Pejiru	3	491.50
	Pejiru Extension	2	219.50
	TOTAL	**5**	**710.90**

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Pejiru Sector - Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)
Pejiru	PJDDH-12	11.00	12.60	1.60	1.41
Pejiru	PJDDH-12	14.50	16.10	1.60	1.76
Pejiru	PJDDH-12	22.60	25.00	2.40	8.74
Pejiru	PJDDH-12	27.30	28.10	0.80	4.01
Pejiru	PJDDH-13	70.10	72.40	2.30	3.55
Pejiru Extension	PJDDH-15	24.40	25.70	1.30	1.47
Pejiru Extension	PJDDH-15	38.00	40.40	2.40	3.18
Pejiru Extension	PJDDH-16	0.00	4.10	4.10	1.62



Plan Showing the Location of the recent Pejiru Sector Drilling

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Two samples representing mineralization in the veins and mineralization in breccia zone were selected from the historical Pejiru drilling/coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Pejiru Samples: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(wt %)			

Pejiru (297228)	Breccia zone	16.0	2.61	0.73	0.89	0.91	0.34
Pejiru (297229)	Calcite (+ quartz) veins	51.4	2.26	0.17	1.41	1.26	0.64

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show flotation gold recoveries for the samples from Pejiru in the range of 50 to 60%. The lower recoveries for Pejiru can be attributed to presence of a large portion of sulphur as sulphate.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297228	Pejiru	2.61	64	3.7	+13
297229	Pejiru	2.26	51	3.4	+24

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

iv. Calcite is the main gangue mineral

Other Mining Certificates

MC 1D/2/1987

This Mining Certificate is still under renewal application and waiting for approval. MC Renewal Application Reference: GE/CM/MC (1D/2/1987)/08/1 dated 15th March 2008

MC 1D/3/1987

This Mining Certificate is still under renewal application and waiting for approval. MC Renewal Application Reference: GE/CM/MC (1D/2/1987)/08/1 dated 15th March 2008

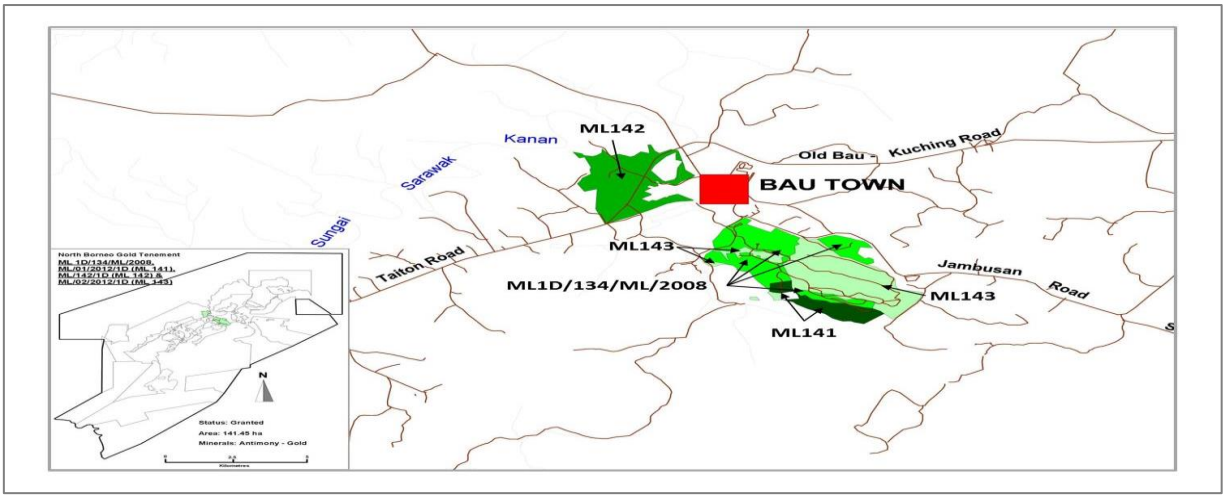
MC SD/1/1987

For the renewal application of MC SD/1/1987, the State Minerals Management Authority (SMMA) approved a new Mining Lease to Gladioli Enterprises Sdn Bhd on 09 October 2012 for a period of 10 years subject to terms and conditions including submission for approval of a Mine Rehabilitation Report, etc., before issuance of the new Mining Lease. An exploration programme is planned for this area.

Mining leases: ML 1D/134/ML/2008 (ML 134), ML/01/2012/1D (ML 141), ML/142/1D (ML 142) & ML/02/2012/1D (ML 143) (Bekajang)

Tenement Location

The four Mining Leases with a combined area of 141.4484 ha held by Bukit Lintang Enterprises Sdn Bhd adjacent to the township of Bau are shown below:



Location map of ML 1D/134/ML/2008 (ML 134), ML/01/2012/1D (ML 141), ML/142/1D (ML 142) and ML/02/2012/1D (ML 143), Bau District

Licence details are as follows:

Bukit Lintang Enterprises Sdn Bhd MLs near Bau Township

LICENSE NO.	AREA	HECTARES
ML 1D/134/ML/2008 (ML 134)	Bukit Young, Bau	40.5
ML/01/2012/1D (ML 141)	Bekajang-Gumbang, Bau	12.735
ML/142/1D (ML 142)	Bau Lama, Bau	38.40
ML/02/2012/1D (ML 143)	Bekajang, Bau	49.034

As noted above ML/01/2012/1D (ML 141) is subject to a notification of forfeiture.

This group of four licences covers an extensive area of gold-prospective geology within a historic mining area near Bau Township.

Resources have now been expanded to a total of 644,500 oz gold and there is excellent potential for further resource expansion.

Further exploration to upgrade and expand resources is planned and it is anticipated that continued exploration will result in significant resource increase from current figures.

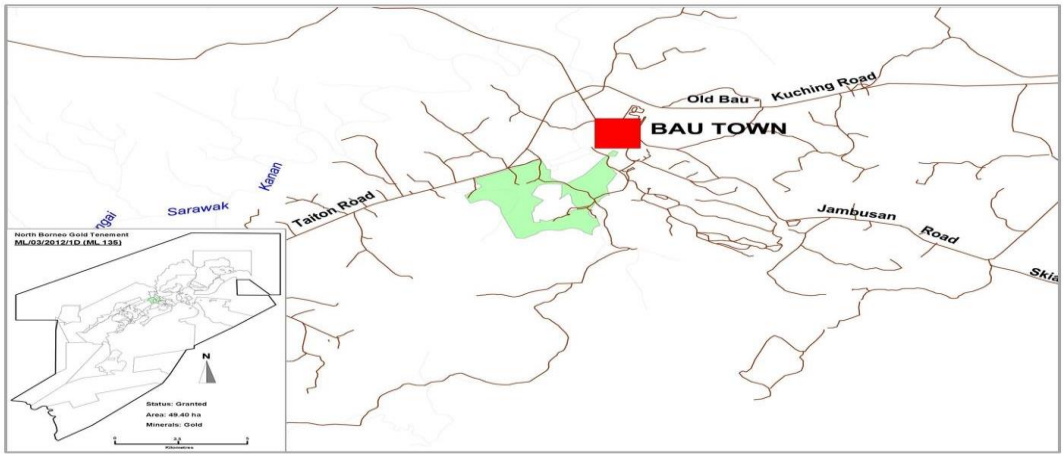
The resource shows excellent potential for eventual mining development. Preliminary mining studies will continue in parallel with future exploration, with definitive feasibility studies to follow.

Mining leases: ML 1D/134/ML/2008, ML/01/2012/1D (ML 141), ML/142/1D (ML 142) & ML/02/2012/1D (ML 143) (Bekajang) show excellent potential to becoming another mine development within the Bau Gold Project, after the antecedent mining development at Jugan Hill. However, development on ML 141 will be dependent upon the outcome of the notification of forfeiture.

Mining lease: ML/03/2012/1D (ML 135) (BYG – Tai Parit)

Tenement Location

Renewed Mining Lease ML/03/2012/1D (ML 135) comprising 49.4 hectares in area, is situated one kilometre southwest of Bau. The tenement was granted to Carino Sdn. Bhd. On the 5th March 2004 for a period of twenty years. The tenement surrounds a Freehold Lot that is not covered by any mining or exploration tenement and is excluded from the Mining Lease.



Location map of ML/03/2012/1D (ML 135), Bau District

The tenement lies immediately south and south-west of the old Tai Parit mine pit (now occupied by Tasik Biru), and extends east to cover over half of the previously mined Bukit Young pit.

Drilling Programme

No exploration work was undertaken in 2019 and 2020. However, in 2018 a small drilling campaign for the Bekajang Sector was carried out. A total of ten (10) diamond drill holes, with a total length of 1,524.90 m, were drilled in the Bukit Young area and two holes were drilled in the Krian prospect for a total length of 160.20m. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to upgrade the existing resources and to obtain fresh metallurgical samples.

A total of 3 drill holes were completed using the Group's man-portable 'Winkie' drill rig in the Bukit Young area, involving a total of 219.10m. .

Drilling programme – Bekajang Sector prospect.

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Bekajang	Bukit Young (BYG)	10	1,524.90
	Krian	2	160.20
	Bukit Young (BYG) – Winkie rig	3	219.10
	TOTAL	**15**	**1,904.20**

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Bekajang Sector – Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
BYG	BYDDH-43	6.60	6.95	0.35	1.80	
BYG	BYDDH-43	8.00	8.80	0.80	1.83	
BYG	BYDDH-43	14.55	15.75	1.20	1.34	
BYG	BYDDH-43	19.80	20.10	0.30	2.63	
BYG	BYDDH-43	25.00	28.60	3.60	1.00	0.4m @ 2.33 g/t
BYG	BYDDH-43	33.80	43.00	9.20	5.95	1m @ 17.80 g/t, 1m @ 17.20 g/t & 0.4m @ 14.50 g/t

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
BYG	BYDDH-43	45.55	49.00	3.45	1.50	1m @ 2.89 g/t
BYG	BYDDH-45	10.00	20.30	10.30	1.22	
BYG	BYDDH-45	42.80	49.00	6.20	5.48	Including 1m @ 11.70 g/t & 0.5m @ 17.20 g/t
BYG	BYDDH-46	13.60	15.80	2.20	5.21	
BYG	BYDDH-46	17.60	18.50	0.90	13.60	
BYG	BYDDH-46	90.00	91.00	1.00	3.19	
BYG	BYDDH-46	110.90	112.80	1.90	1.57	
BYG	BYDDH-46	147.00	149.00	2.00	2.85	
BYG	BYDDH-47	63.70	64.50	0.80	3.90	
BYG	BYDDH-47	68.20	72.00	3.80	2.06	including 0.6m @ 8.24 g/t
BYG	BYDDH-47	128.50	135.70	7.20	3.05	including 1m @ 5.68 g/t
BYG	BYDDH-47	150.60	151.90	1.30	1.92	
BYG	BYDDH-48	4.00	6.90	2.90	1.67	
BYG	BYDDH-49	2.40	14.60	12.20	1.99	
BYG	BYDDH-49	50.40	52.20	1.80	0.95	
BYG	BYDDH-49	60.00	64.00	4.00	5.85	1.5m @ 13.1 g/t Au
BYG	BYDDH-50	54.00	54.50	0.50	0.65	
BYG	BYDDH-50	59.00	60.00	1.00	1.02	
BYG (Winkie)	BYWDH-02	0.00	2.00	2.00	0.65	
BYG (Winkie)	BYWDH-02	41.60	43.90	2.30	6.11	
BYG (Winkie)	BYWDH-03	0.00	8.60	8.60	1.85	
Krian	KRDDH-02	23.50	24.90	1.40	0.76	
Krian	KRDDH-02	31.30	31.70	0.40	1.59	

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Three samples representing mineralization in the jasperoid, mineralization in breccia zone and sediment hosted (Krian sandstone) mineralization were selected from the historical Bukit Young (BYG) drill coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show flotation gold recoveries for the samples from BYG in the range of 40 to 65%. Further flotation and grinding tests will be carried out in the future and to determine the best parameters to improve the recoveries.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297207	BYG (Jasperoid)	10.85	41	2.8	+8
297208	BYG (Breccia)	5.05	48	1.1	+8
297209	BYG (Sandstone)	1.89	65	5.1	+11

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

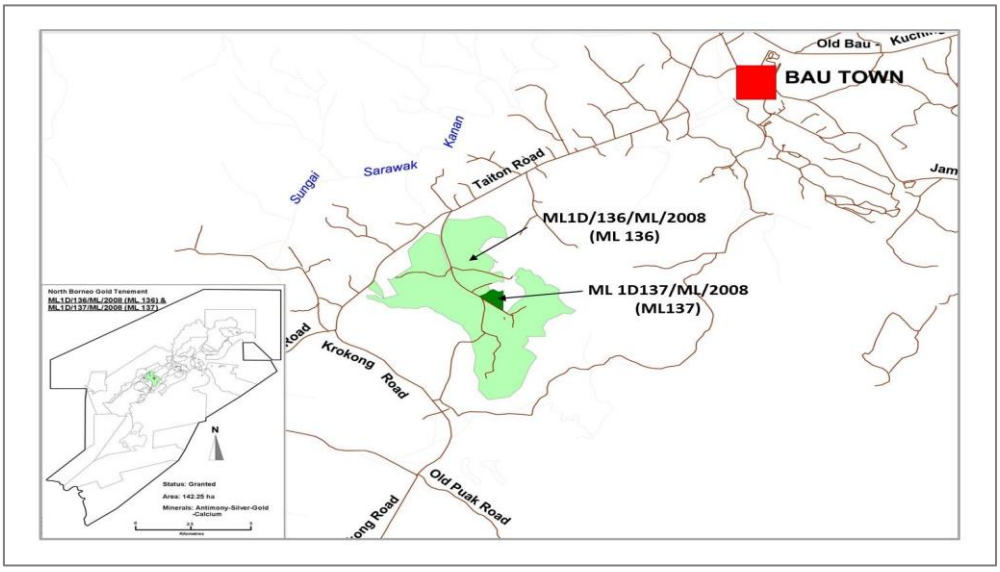
iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

iv. Calcite is the main gangue mineral.

Mining leases: ML 1D/136/ML/2008 (ML 136) & ML 1D/137/ML/2008 (ML 137) (Taiton)

Tenement Location

Renewed Mining Leases ML 1D/136/ML/2008 (ML 136) (formerly ML 108) and ML 1D/137/ML/2008 (ML 137) (formerly ML 123) owned by Priority Trading Sdn Bhd are located in the Tai Ton area 2.5 km southwest of Bau.



Location Map of ML 1D/136/ML/2008 (ML 136) and ML 1D137/ML/2008 (ML 137), Taiton , Bau District

Mining lease ML136 is 139.6 hectares in area and was granted to Priority Trading Sdn. Bhd on the 19th July 2003. Mining lease ML 1D137/ML/2008 is 2.60 ha in area was granted to Priority Trading Sdn. Bhd on the 23th June 2004. Both leases were granted for a period of twenty years. The two leases have common boundaries and are reported together here because they are contiguous and ML 1D137/ML/2008 is comparatively small.

Exploration Drilling

No exploration work was undertaken in 2019 and 2020. However, in 2018 a small drilling campaign in the Taiton B prospect was carried out. A total of three (3) diamond drill holes, with a total length of 426.50 m, were drilled in area. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to test the extension of the gold mineralization at depth, under the existing underground tunnel.

Drilling programme - Taiton Sector.

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Taiton	Taiton B	3	426.50
	TOTAL	3	426.50

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Taiton B - Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
Taiton B	TTDDH-79	69.00	69.90	0.90	4.28	
Taiton B	TTDDH-79	70.60	74.60	4.00	1.66	
Taiton B	TTDDH-79	75.90	79.40	3.50	1.95	1.4m @ 3.13 g/t Au
Taiton B	TTDDH-79	80.70	81.40	0.70	4.52	
Taiton B	TTDDH-79	82.30	84.10	1.80	3.01	1.0m @ 4.55 g/t Au
Taiton B	TTDDH-80	50.80	51.60	0.80	1.01	
Taiton B	TTDDH-80	59.30	60.00	0.70	1.75	
Taiton B	TTDDH-80	63.20	63.50	0.30	1.64	
Taiton B	TTDDH-80	143.50	143.90	0.40	1.45	
Taiton B	TTDDH-81	1.90	7.30	5.40	1.14	
Taiton B	TTDDH-81	126.10	128.10	2.00	1.86	
Taiton B	TTDDH-81	130.10	131.50	1.40	0.78	
Taiton B	TTDDH-81	137.90	142.80	4.90	0.63	
Taiton B	TTDDH-81	145.80	148.80	3.00	0.84	

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Two samples representing mineralization in the breccia zone and veins were selected from the historical Taiton drill coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Taiton Samples: Gold Deportment

Sample ID		Weight	Au	As	Fe	Stot	SSO4=

	Sample Lithology	(Kg)	(g/t)	(wt %)			
Taiton (297226)	Breccia	22.0	1.47	0.06	0.28	0.11	0.01
Taiton (297227)	Veins	12.8	2.96	0.15	0.25	0.02	0.01

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. Despite the low sulphide content of Taiton, AMTEL estimates that 55 to 62 % of the gold can be recovered into a flotation concentrate. Further flotation and grinding tests will be carried out in the future and to determine the best parameters to improve the recoveries.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297226	Taiton (Breccia)	1.47	62	0.4	+22
297227	Taiton (Veins)	2.96	55	0.3	+39

i. The general conclusions from the test work in AMTEL are as follows:

ii. Gold occurs primarily in two forms: sub-microscopic and native gold.

iii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

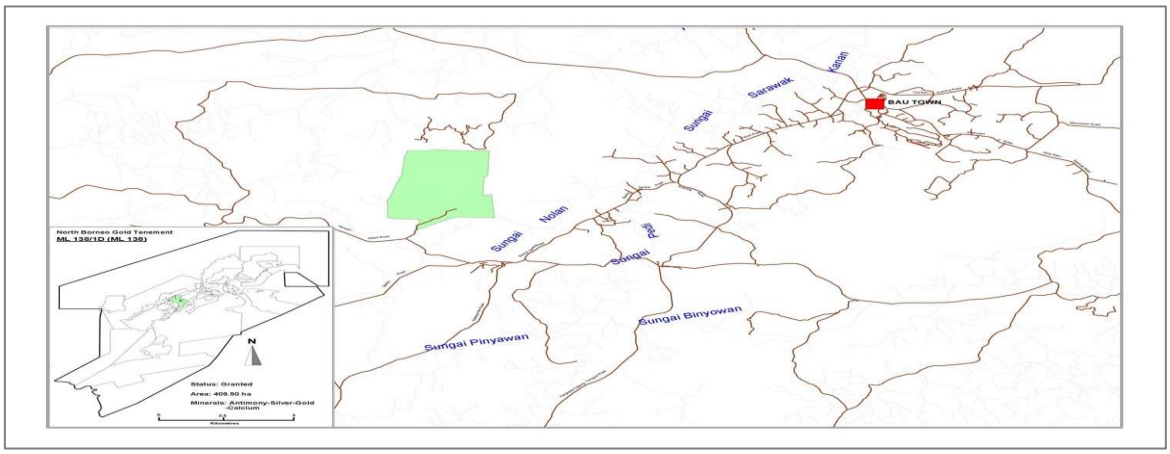
iv. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

v. Calcite is the main gangue mineral.

<u>Mining lease: ML 138/1D (ML 138)</u>

Tenement Location

Mining Lease ML 138/1D (ML 138) (Previously ML 125) is located 8 kilometres west southwest of Bau. The tenement is 409.5 hectares in area and was granted to Buroi Mining Sdn. Bhd. on the 20th November 2005 for a period of 20 years.



Location Map of ML 138/1D (ML 138), Bau District

The topography within the tenement generally consists of low altitude terrain, the south-eastern part of which is an extensive depressed area occupied by a wetland utilised for wet-rice cultivation. Sparsely

scattered limestone pinnacles up to 50 metres in diameter and 10 metres high crop out within the southern half. The topographically depressed southern area of ML 138/1D (ML 138) is surrounded by low hills composed of shale and minor sandstone.

Work Conducted During 2019/2020

There was no fieldwork conducted in ML 138 during 2019 and 2020.

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 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net Income	(1,251,508)	576,055	(512,377)	(350,992)	(18,033,879)	(763,817)	1,453,777	(1,519,608)
Income Loss per share	(0.260)	0.120	(0.106)	(0.073)	(3.742)	(0.158)	0.302	(0.315)

There was no Revenue received during any of the quarters.

The variances in Net income and comprehensive income and Total assets and Non-current liabilities are mainly due to re-valuing derivative liabilities and any other fair value adjustments and impairments

Liquidity & Capital Resources

Working Capital:

	30 June 2020	30 June 2019	30 June 2018
Cash and Cash Equivalents	31,260	22,467	73,003
Tax and Other Receivables	28,147	3,337	62,857
Prepayments	7,486	7,486	7,529
Derivative Liability	(11,456,461)	(8,599,174)	(2,420,699)
Trade and Other Payables	(5,617,142)	(5,083,028)	(52,687,850)
Loans and Borrowings	(2,015,066)	(1,433,637)	(592,918)
Net working Capital	**(19,021,776)**	**(15,082,550)**	**(5,558,078)**

No field-based exploration work was undertaken during 2019 and 2020. With no source of income, the recoverability of the costs incurred is dependent on proving the economic recoverability of gold reserves and the ability of the Group to obtain necessary funding to continue to finance the project.

As at 30 June 2020 net working capital was negative $19,021,776. The change in working capital from 2019 is largely attributable to the impact of the revaluation of the derivative liability, which arises on the methodology adopted in the valuation of its financial liabilities.

The Group requires further funding to continue the Bau Gold Project. Management in the year ended June 2020, focused mostly on capital raisings to fund its working capital and the costs of further exploration and evaluation of Bau.

However, no assurance can be given that the capital required can be raised on terms acceptable to the Group to continue to fund the project and this may cause a significant doubt about the Group's ability to continue as a going concern.

Related Party Disclosure

Transactions with related parties are conducted on reasonable commercial terms and approved by non-conflicted members of Besra's board.

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

Name	% Equity Held as at:		
	30 June 2020	30 June 2019	30 June 2018
Besra NZ Ltd	100	100	100
Besra Labuan Ltd	100	100	100
North Borneo Gold Sdn Bhd	87.06	87.06	87.06
Bau Mining Co. Ltd	91	91	91

Related party balances

Significant Influence:

	30 June 2020	30 June 2019	30 June 2018
Derivative liability	9,347,263	7,064,016	1,855,720
Financing charges	-	1,424,245	-
Financing charges payable	(1,424,245)	(1,424,245)	-

The amounts disclosed in the table are the amounts recognized during the reporting period related to the Pangaea Holdings Limited ('Pangaea').

Key Management:

	30 June 2020	30 June 2019	30 June 2018
Directors fees and management fees	380,000	397,343	391,012
Amounts payable	1,050,048	865,390	292,968

Entities with Common Directors Who Have Significant Influence**:**

	30 June 2020	30 June 2019	30 June 2019
Consultancy fees expense	-	125,827	141,950
Interest-bearing loan	62,796	100,000	40,701
Derivative liability	1,977,972	1,535,156	564,979
Interest	12,796	27,219	-
Consultancy fees payable	116,113	189,041	130,516

The amounts disclosed in the table are the amounts recognized during the reporting period related to InCoR Limited ('InCoR') as the entity has Common Directors who are deemed to have a significant influence over the Group.

Companies Controlled by Management

Management compensation incurred on behalf of the Group were paid to companies controlled by officers of the Group. The companies that were paid for management compensation include the following:

Group name	*Name*	*Position*
Jura Trust Limited	John Seton	Chief Executive Officer

Meridian Corporate Advisory Pty Ltd	John Glen	Chief Financial Officer

InCoR Holdings Limited is a public Group of which Ms Jocelyn Bennett is a director. InCoR Holdings Ltd also made a short-term loan to the issuer during the period at an interest rate of 12% per annum.

Pangaea Holdings Limited, a provider of secured and unsecured lending to Besra is a related party of the issuer due to Ms Jocelyn Bennett and Mr John Terry being directors of both the issuer and Pangaea.

Management Services Agreements

The Group has entered into a management services agreement or employment agreement (each an "Executive Agreement"), as the case may be, with each of its senior executive officers (each, an "Executive") that provide for specific benefits in the event that executive's employment is terminated voluntarily by the Executive upon notice to the Group or a material change in the Executive's responsibilities or by the Group with cause or upon notice. A summary of these benefits follows.

Termination

Pursuant to the Executive Agreements, the Group is required to make certain payments upon termination (whether voluntary, involuntary, or constructive), resignation or retirement or upon a change in the Executive's responsibilities, as applicable. An estimate of the amount of these payments assuming that the triggering event giving rise to such payments occurred on June 30, 2019, these figures are unchanged as at June 30, 2020 is set out in the table below and is more fully described in the section that follows:

Triggering Event

	Executive Resignation or Retirement	Termination without Cause, Material Change in Responsibilities	
John Seton	Nil	C$687,505	C$687,505 (1)
John Glen	Nil	C$112,500	C$112,500 (2)

(1) equivalent to 30 months' salary

(2) equivalent to 6 months' salary

Contractual Commitments

Contractual Commitments: Acquisition of Interest in NBG

As at 30 June 2020, the balance of commitments in respect of the acquisition of a further interest in North Borneo Gold Sdn Bhd (NBG) are payments totalling $4,212,439 and shares to a value of $1,541,200 (2019: payments totalling $4,212,439 and shares to a value of $1,541,200).

All other commitments in respect of the Convertible Notes and Other Borrowing are expected to be dealt with in FY 2021 as part of the Group's capital raising plans, which include an IPO on the Australian Stock Exchange in YE 2020.

Disclosure Controls & Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Group.

Based on an evaluation of the Group's disclosure controls and procedures as of the end period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Readers are cautioned that the Group is not required to certify the design and evaluation of its disclosure controls and procedures and internal controls over financial reporting and has not completed such an evaluation.

The inherent limitations on the ability of the Group's certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Group

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Management and Disclosure

The nature of the Group's operations exposes the Group to credit risk, liquidity risk, market risk and geopolitical risk, which may have a material effect on cash flows, operations and comprehensive income.

The Group's risk management policies and procedures are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and to monitor market conditions and the Group's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and policies.

Covid-19

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

While Covid - 19 has caused certain limitations to Besra's activities, largely due to restrictions on travel, It has not prevented the advancement of plans as regards the IPO and proposed listing process.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Group to credit risk consist primarily of cash and accounts receivable.

The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Group reduces its credit risk by maintaining its bank accounts at large financial institutions. Accounts receivable consists of amounts receivable from the Canadian federal government for the refundable GST amounts. The Group assess the collectability and fair value of this receivable at each reporting period.

Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due. All of the Group's financial liabilities are classified as current and are anticipated to mature within the next fiscal year.

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. See also Note 3 in the Besra's financial statements and references to the Canaccord mandate to list Besra on the ASX

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Group is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on the Group's cash is minimal.

Foreign exchange risk

The Group currently operates in Malaysia. The Group could accordingly be at risk for foreign currency fluctuations.

Geopolitical risk

The Group has all of its properties located in 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 cannot 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.

Gold and metal 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.

Trends

Continued strength in the US dollar, decreasing oil prices and the stable gold price increases demand, especially from Asia, and perception of increased risk in major financial markets has supported a discernible need for the development of commodity exploration projects. Companies, like Besra Gold Inc, are key participants in identifying properties of merit to explore and develop.

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.

Funding Risk

The Group is dependent upon its ability to raise funds in order to carry out its business. Exploration and development involve significant financial risk and capital investment.

In order to ameliorate this risk, on 27 April 2020, Besra announced the signing of a mandate agreement with Global Investment Bank Canaccord Genuity (Australia) Limited ('Canaccord') to act on an exclusive basis as Lead Manager for an issue or sale of new fully paid ordinary shares in the common stock of the Company to raise an amount to be determined as part of an initial public offering capital raising and listing on the (ASX).

The operations and expansion plans for the Group may also result in increases in capital expenditures and commitments. The Group may require additional funding to expand its business and may require additional capital in the future for, among other things, the development of the Bau Gold Project. No assurance can be given that such capital will be available, or if available on terms acceptable to the Group.

The Group may be required to seek funding from third parties if available credit facilities are insufficient to finance these activities. In the event that the Group is unable to obtain adequate financing on acceptable terms, or at all, to satisfy its operating, development and expansion plans, its business may be materially and adversely affected.

The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions, the availability of funds from lenders and/or investors, and other factors relating to the Group's properties and operations.

Debt Risk

The Group has debt and may be unable to service or refinance its debt, which could have negative consequences on the Group's business, or adversely affect its ability to fulfil its obligations under its debt and may place the Group at a competitive disadvantage relative to its industry cohorts.

The Group has indebtedness in the form of convertible notes ("Convertible Notes"), both secured and unsecured.

The existence of this debt could have negative consequences for the Group. For example, it could:

- increase the Group's vulnerability to adverse industry and general economic conditions;
- require the Group to dedicate a material portion of operating capital to make scheduled principal or interest payments on the debt, thereby reducing the availability of its cash flow for working capital, capital investments and other business activities;
- limit the Group's ability to obtain additional financing to fund future working capital, capital investments and other business activities;
- limit the Group's flexibility to plan for, and react to, changes in its business and industry; and
- place the Group at a competitive disadvantage relative to less leveraged competitors.

A condition of Canaccord's mandate is the conversion of all debt and other liabilities into equity so that Besra can emerge at the IPO with a clean balance sheet, no debt and unencumbered cash to advance the Bau Gold Project.

Stock & Shareholder Risk

The market price of the Group's common shares, like that of the common shares of many other natural resource companies could be volatile.

Results of exploration and mining activities, the price of precious metals, 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 movements in the market price of the Group's common shares..

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 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 may be issued in the future, including pursuant to the Convertible Notes, stock options and warrants, however under the IPO proposal these Instruments and loan will be converted to equity.

Other Financial Matters

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 Shares

As at 24 September 2020 the Group had issued and outstanding 1,204,892,898 shares (June 30, 2020 and 2019: 1,204,892,898).

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 Financial Statements for the year ending 30 June 2020.

Accounting Policies

The accounting policies and methods of computation are described in the Audited Financial Statements for the year 30 June 2020

Changes in Accounting Policies

The Group has reviewed new and revised accounting pronouncements that have been issued. The changes to accounting policies are described in the Audited Financial Statements for the year 30 June 2020.

Use of and reliance on experts

The resource figures for the Bau Gold Property have been prepared by Mr Kevin Wright who is a Fellow of the Institute of Materials, Minerals and Mining (FIMMM) and a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and is also a "Competent Person", as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" the JORC Code).

Mr Wright was 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.

The Group also used independent experts in the valuation and analysis the loan liabilities (i.e. the Convertible Notes). The methodology used by these independent experts is described above, 'Loan Liabilities valuation and analysis" under the section headed, Summary of Operations and Outlook. This is also dealt with in Note 3 of the Group's 2020 Consolidated Financial Statements

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements made and information contained herein is "Forward-looking information" within the meaning of applicable securities laws, including statements concerning our plans at exploration projects, which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, failure to establish estimated resources or to convert resources to mineable reserves; the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; delays in obtaining or failure to obtain required governmental, environmental, or other project approvals; changes in national and local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment; political or economic instability; terrorism; inflation; changes in currency exchange rates; fluctuations in commodity prices; delays in the development of projects; shortage of personnel with the requisite knowledge and skills to design and execute exploration and development programs; difficulties in arranging contracts for drilling and other exploration and development services; dependency on equity market financings to fund programs and maintain and develop mineral properties; and risks associated with title to resource properties due to the difficulties of determining the validity of certain claims and other risks and uncertainties, including those described in each management's discussion and analysis released by the Group.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; the assumed long-term price of gold; the availability of permits and surface rights; access to financing, equipment and labour and that the political environment in the

jurisdictions within which the Group operates will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

Cautionary note regarding preparation of Mineral Reserves and Resources

This MD&A uses the terms "reserves" and "resources" and derivations thereof.

These terms have the meanings set forth in Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining, Metallurgy and Petroleum's Classification System (CIM Standards) and the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" the JORC Code). NI 43-101 and CIM Standards differ significantly from the requirements of the United States Securities and Exchange Commission (the SEC). Under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that is part of a mineral deposit, which could be economically and legally extracted or produced at the time of the reserve determination".

In addition, the term "resource", which does not equate to the term "reserve", is not recognized by the SEC and the SEC's disclosure standards normally do not permit the inclusion of information concerning resources in documents filed with the SEC, unless such information is required to be disclosed by the law of the Group's jurisdiction of incorporation or of a jurisdiction in which its securities are traded. Accordingly, information concerning descriptions of mineralization and resources contained in this Management's Discussion and Analysis may not be comparable to information made public by US domestic companies subject to the reporting and disclosure requirements of the SEC.

Cautionary note regarding placing undue reliance

Readers are advised not to place undue reliance on forward-looking statements, which speak only as of the date they are made. Except as required under applicable securities legislation, the Group undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

Oversight of the external auditor

Besra's Audit Committee has deemed the Group's external auditors to be appropriately experienced and qualified in the relevant jurisdictions, they have reported in line with the timetable. There has been no interference from Besra management that could affect their independence.

Informal discussions between the Audit Committee and the auditors are maintained.

Approval of the MD&A

This MD&A has been prepared by management with an effective date of 28 October 2020.

The MD&A and the Consolidated Financial Statements were approved by the Board of Directors of the Group