



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

Quarterly Highlights

for the nine months ended 31 March 2021

The following MD&A aims to provide a narrative explanation, through the eyes of management of how Besra Gold Inc ("the Group" or "Besra" or "the Company") has performed over the last 9 months, its financial condition and its future prospects. This MD&A does not provide a general update to the Management's Discussion and Analysis for the 12 months ended 30 June 2020 & 2019 (the "Annual MD&A"), or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared by Management in compliance with the requirements of section 2.2.1 "Quarterly Highlights" of Form 51-102F1, is current as at 31 March 2021 and has been approved on 29 May 2021 by the Audit Committee (and Board of Directors) of the Company.

This MD&A both supplements and complements the Group's financial statements.

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; the ability to raise capital to fund ongoing operations; the ability to have the Company's equity securities listed on a recognized stock exchange; 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-country, unforeseen government actions or other events;
- (iv) the Group experiences the loss of key personnel;
- (v) the Group's mine 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 under the heading "Risk Management & Disclosure" below.

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 Annual MD&A and the consolidated audited financial statements for the years ended June 30, 2020 and 2019 along with the unaudited condensed interim consolidated financial statements for the 9 months ended 31 March 2021 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 3 month and 9 months ended 31 March 2021, and the subsequent period up to the date of issue of this MD&A. The Group has prepared this MD&A following the requirements of National Instrument 51-102 ("NI-51-102").

Additional information relating to the Group is available at www.sedar.com.

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 is a consultant to the Group and is "independent" within the meaning of National Instrument 43-101. Mr Wright consented to the inclusion of the information that he has compiled in relation to the Bau Gold Property, in the previous report as filed. That consent remains in the form and context in which it appears.

Introduction

Besra Gold Inc. is a Canadian incorporated company that is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Quebec.

During the financial years ended 30 June 2019 and 2020 and the 9 months ended 31 March 2021, the business of Besra Gold Inc. and subsidiaries ('Besra' or 'the Company') consisted of a sole feasibility stage project in East Malaysia, being the Bau Gold Project ('Bau').

Overall Performance

The Company's single asset is the Bau Gold Project.

The Bau Gold Project has continued to be on care and maintenance due to funding limitations during the past quarter ended 31 March 2021.

During 2020 in a market of improved gold prices and significantly improved prospects for the gold mining industry, the Company embarked on a restructuring and reorganisation plan (the "Reorganisation") which comprises:

- Pangaea Holdings Limited not acting on a subsisting event of default under the Exit Financing Note. As previously disclosed in the audited 30 June 2020 financial statements, Pangaea Holdings Limited has confirmed that it is waiving its right to act on its security and will not call on the amount outstanding providing the IPO proceeds as expected.

Obtaining financing to bridge the re-listing of the Company's common shares on a stock exchange. In April 2020, the Company signed a mandate agreement with Canaccord Genuity (Australia) Limited ("Canaccord") to act on an exclusive basis as lead manager for the potential initial public offering ("IPO" or 'listing') of the Company's common shares on the Australian Securities Exchange ("ASX"). On July 7, 2020, the Company closed an AUD\$2,532,000 financing consisting of zero coupon secured convertible subordinated notes ("Bridge Notes"). As part of the Reorganization the Company obtained an extension to the maturity date of the Bridge Notes from the existing maturity date of February 28, 2021 to May 30, 2021 to enable the listing to proceed. A further extension will be arranged.

- Obtaining further funding for working capital purposes over the period until the initial public offering ("IPO") of the Company's common shares on the Australian Securities Exchange. A loan facility of \$AU300,000 was arranged in January 2021 for this purpose ('Incor Services loan').

The Incor Services loan is unsecured, with an interest rate of 12% per annum, payable on termination of the loan. Loan repayment occurs on listing (refer below). Drawings under the loan of \$AU175,000 have been made as at March 31 2021 with the undrawn balance available to meet the Company's working capital requirements through to listing.

- Restructuring the Company's debt and equity capital (the "Capital Restructuring") – A central component of the Capital Restructuring is approval of the holders of 3% unsecured convertible notes ("Creditors Notes") with a face value of CAD\$47,485,886 to be exchanged for new common shares in the Company. A meeting of Noteholders held on December 3, 2020 approved the exchange of the notes in full for 69,884,631 was subject to conditional listing approval being granted ("Condition") by February 28, 2021 subsequently extended to May 30, 2021. A further meeting has been called for 28 June 2021 to extend the date for satisfaction of the condition to 30 September 2021.
- Listing of the Company's common shares via an IPO on the ASX. The Company is preparing for an IPO and listing of the Company's common shares in the form of Chess Depository Receipts ("CDIs") which would outline the Company's plan to seek a minimum of AUD\$12 million and up to AUD\$15 million in new equity funding, subsequently reduced to A\$10m and A\$12.5m.

- Besra lodged its prospectus on 22 April 2021 with the Australian Securities and Investments Commission ('ASIC'). ASIC subsequently requested certain amendments to the Prospectus. The Company is seeking to address these as soon as possible. Besra intends to lodge a Replacement Prospectus and has undertaken to ASIC not to process any acceptances under the original Prospectus, pending lodgement of the Replacement Prospectus.

There can be no assurance that the Reorganisation can be completed in full or at all.

Summary of Operations

For the 3 months to 31 March 2021 the Company had no revenue and reported a loss and comprehensive loss of \$715,926 (2020: income of \$575,062). The increased loss in the 3 months arose due to the negative revaluation of derivatives of \$171,100 (2020: positive revaluation of \$871,181) and increased corporate and administrative expenses of \$518,579 (2020: \$290,619). The increase in corporate and administrative expenses reflected the increased activities to prepare the Company and the Bau Project for the proposed IPO and the pre-IPO capital raising. Other expenses have continued to be maintained at a minimal level.

For the 9 months to 31 March 2021 the Company had no revenue and reported a loss and comprehensive loss of \$3,036,321 (2020: \$167,888). The increased loss in the nine months arose due to the negative revaluation of derivatives of \$900,947 (2020: positive revaluation of \$844,941) and increased corporate and administrative expenses of \$2,103,168 (2020: \$996,329). The increase in corporate and administrative expenses reflected the increased activities to prepare the Company and the Bau Project for the proposed IPO and the pre-IPO capital raising. Other expenses have continued to be maintained at a minimal level.

The following table sets forth a breakdown of main elements of the Corporate and Administrative costs & Exploration and Evaluation expenditures of the Company during the three months and nine months to 31 March 2021:

Corporate and Administrative Expense

in USD	3 Months to 31 March		9 months to 31 March	
	2021	2020	2021	2020
Professional & Consulting Fees	343,535	110,065	1,298,729	457,342
Management & Administration	109,896	120,545	554,904	324,242
Labour Expense	-	-	-	15,382
Travel & Accommodation	-	2,782	11,355	8,344
Office & Facilities	6,416	15,691	42,043	47,073
Insurance	-	6,536	30,512	38,946
Directors Fees	58,750	35,000	165,625	105,000
	518,597	290,619	2,103,168	996,329

Bau Project Exploration and Evaluation Expenditure Detail

in USD	3 Months to 31 March		9 months to 31 March	
	2021	2020	2021	2020
Exploration Office and Consulting	-	-	-	-
Labour Expenses	(14,601)	-	(128,523)	-
	(14,601)	-	(128,523)	-

The credit for labour expense for the 9 months to 31 March 2021 arose from an over-accrual of labour costs for the periods up to 30 June 2020.

Liquidity & Capital Resources

At 31 March 2021 the Company had cash on hand of \$25,667 and a working capital deficit of \$21,735,880 (2020: \$15,419,203).

The ongoing activities of the Company are dependent on external funding to finance the Bau Project, and to meet its obligations as they come due. There is no assurance that funding will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company.

Cash used in operating activities was \$1,297,190 for the 9 months to 31 March 2021 (2020: \$390,039). The investing cash expenditure for the 9 months was \$nil of exploration and evaluation costs (2020: \$nil) at the company's single asset at Bau, Malaysia. Expenditures in all categories were limited due to funding restrictions.

During the period, \$1,484,630 of additional funds were raised (2020: \$377,729) to prepare the Company and the Bau Project for the proposed IPO.

Related Party Disclosure

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

Name	% Ownership Held as at:	
	31 Mar 2021	30 June 2020
Besra NZ Ltd (formerly OYMNZ Ltd)	100	100
Besra Labuan Ltd (formerly Olympus Pacific)	100	100
North Borneo Gold Sdn Bhd	87.06	87.06
Bau Mining Co. Ltd	91	91

Related parties of the Group are considered to be Key Management Personnel and Pangaea Holdings Limited. The terms of the Exit Financing are such that it may be considered as having Significant Influence. The following Related Party transactions are recognized in the consolidated financial statements of the Group:

Significant Influence

in USD	3 Months to 31 March		9 Months to 31 March	
	2021	2020	2021	2020
Interest	2,868	-	2,868	-

Key Management

in USD	3 Months to 31 March		9 Months to 31 March	
	2021	2020	2021	2020
Management fees and salary expense	172,387	106,601	450,412	316,803

Except as may be disclosed elsewhere the related party transactions were incurred in the normal course of business and were measured at the exchange amount.

Contractual Commitments

The balance of commitments in respect of the acquisition of a further interest in North Borneo Gold Sdn Bhd (NBG) at 30 June 2020 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).

To facilitate an ASX listing, the amended acquisition agreement with Gladioli will require further amendment to substitute the issue of 24-month restricted securities for the original cash payments ("Variation"). Pursuant to this Variation, Besra will become released of its obligations to acquire the remaining tranches of NBG shares. Furthermore, Gladioli agrees to sell and Pangaea Resources Ltd ("Pangaea") agrees to purchase the remaining NBG shares ("Pangaea Acquisition") following which Pangaea Besra agrees to purchase a portion of the remaining NBG shares ("Besra Acquisition"). In consideration of this Variation, Besra has agreed to issue CDIs to each of Gladioli and Pangaea as follows; 12,500,000 CDIs to Gladioli in consideration for the Variation and 20,000,000 CDIs to Pangaea in relation to the Besra Acquisition. Pangaea will pay A\$4,000,000 to Gladioli in consideration of the Pangaea Acquisition. All parties have signed the Terms of this Variation which will remain in escrow and have no force or effect until the cash consideration due from Pangaea to Gladioli has been paid.

All other commitments in respect of the Convertible Notes and Other Borrowing are expected to be settled as part of the Group's listing.

Outlook

The Company has no operating revenues and therefore must obtain funding from equity financing and/or other capital raisings. The key activities for the remainder of the fiscal year are:

- Complete the IPO to raise A\$10m to A\$12.5m, reduced from that previously advised (i.e., A\$12.5m to A\$15m) in mid-year 2021; and
- Recommence exploration and development activities at the Bau Gold Project following completion of the IPO.

Selected Annual Information

in USD	Year Ended 30 June 2020	Year Ended 30 June 2019	Year Ended 30 June 2018 (Restated)
Revenue	-	-	-
Net income & comprehensive income	(1,062,046)	(22,500,523)	(621,843)
Comprehensive income attributable to shareholders of the parent	(1,057,833)	(18,863,527)	(644,084)
Basic and Diluted earnings per share	(0.001)	(0.019)	(0.001)
Total Assets	17,605,914	17,586,915	50,984,214
Non-current liabilities	-	2,415,009	22,726,357
Cash dividends declared	-	-	-

The variances in Net income and comprehensive income are mainly due to impairment of the Mining asset of \$33,270,000 in the year ended 30 June 2019 and the revaluation of the Derivative liability.

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:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
(Loss) Income for the period	(715,926)	(1,277,304)	(1,057,833)	(1,254,508)	575,062	(512,377)	(350,992)	(18,033,879)

(Loss) Income per share for the period	(0.148)	(0.265)	(0.219)	(0.260)	0.120	(0.106)	(0.073)	(3.742)
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There was no Revenue received during any of the quarters. Loss in Q4 2019 is mainly attributed to a write-down of the Bau project.

Other Financial Matters

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

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

Outstanding Share Data

At the annual special meeting of shareholders dated September 10, 2020, shareholders approved the consolidation of the Company's capital on the basis of one post consolidation shares for every two hundred and fifty (250) pre-consolidation shares or such lesser ratio as the board of directors of the Company approve. On November 23, 2020, the Company's directors approved a consolidation of the Company's capital on the basis of one post consolidation shares for every one hundred and thirty-seven point four seven (137.47) pre-consolidation shares.

Since that date the director's have approved a further consolidation such that with the initial consolidation the consolidation shares is one for every two hundred and fifty (250) pre-consolidation shares.

The Company now has issued and outstanding 4,819,572 shares (June 30, 2020: 1,204,892,898). The reduction in the number of shares outstanding since 30 June 2020 is due to the consolidation of the shares as noted above.

No further shares have been issued as at the date of the approval of the MD&A.

Critical Accounting Estimates

Information about significant areas of estimation uncertainty are considered by management in preparing the Audited Financial Statements is described in the Audited Consolidated Financial Statements for the year ended 30 June 2020 and Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended 31 March 2021.

Future accounting standards issued and adopted

Several new but not yet effective Standards and amendments to existing standards and Interpretations have been published by the IASB and XRB. None of these Standards or amendments to the existing Standards have been adopted by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Accounting Policies

The accounting policies and methods of computation are described in the Audited Consolidated Financial Statements for the year 30 June 2020 and are consistent with those adopted for preparation of the Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended 31 March 2021.

Risk Factors and Uncertainties

Readers of the MD&A are encouraged to read the “Risk Factors and Uncertainties” as more fully described in the Company’s filings with the Canadian Securities Administrators. It is also included in the Audited Consolidated Financial Statements for the year ended 30 June 2020 and Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended 31 March 2021.

Covid -19

As Besra was not trading there has been little to no adverse effect on the operations of the Company as a result of Covid-19 however there may be possible adverse impacts when the Company recommences exploration activities proposed for 2021.

Subsequent events

On April 22, 2020, the Company lodged its prospectus with the Australian Securities and Investment Commission, with the listing planned for mid 2021.

There have been no other significant events after the reporting date.