



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

For the 3 months ended 30 September 2021

Impact of Covid

The COVID-19 situation in Malaysia continues to improve as the uptake and distribution of vaccines continue. COVID-19 infections are decreasing in Malaysia, with 5,719 new infections reported on average each day. That's 26% off the peak – the highest daily average reported on 31 August.

Besra and its operating subsidiary North Borneo Gold Sdn Bhd follow all governmental COVID-19 restrictions and policies.

Besra continues to closely monitor developments around the COVID-19 pandemic. The Group follows the measures recommended by public health and government authorities. Besra will continue to monitor the situation with our priority being the health and safety of our employees and our surrounding communities.

MD&A

The following MD&A provides a narrative from management's perspective of how Besra Gold Inc (**the Group** or **Besra**) has performed during the first 3 months of the 2022 financial year, including its financial condition and its future prospects.

This MD&A both supplements and complements the Group's Condensed Interim Consolidated Financial Statements for the 3 months ended 30 September 2021. All amounts quoted are denominated in USD unless otherwise stated.

Forward Looking Information

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

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

Forward-looking statements contained in this MD&A include, but are not limited to, statements with respect to anticipated developments in the Group's continuing and future operations, the adequacy of the Group's financial resources and financial projections; statements concerning, or the assumptions related to, the estimation of mineral resources, methodologies and models used to prepare resource estimates; the conversion of mineral properties to resources; the potential to expand resources; future exploration budgets, plans, targets and work programs; development plans; activities and timetables; metal grades; metal prices; exchange rates; results of drill programs; environmental risks; political risks and uncertainties; unanticipated reclamation expenses; statements about the Group's plans for its mineral properties; acquisitions of new properties and the entering into of options or joint ventures; and other events or conditions that may occur in the future.

Forward-looking statements are frequently, but not always, identified by words such as “expects,” “anticipates,” “believes,” “intends,” “estimated,” “potential,” “possible” and similar expressions, or statements that events, conditions, or results “will,” “may,” “could” or “should” occur or be achieved.

Forward-looking statements are statements concerning the Group’s current beliefs, plans and expectations about the future and are inherently uncertain, and actual achievements of the Group or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors, including, without limitation, the risks that:

- (i) any of the assumptions in the resource estimates turn out to be incorrect, incomplete, or flawed in any respect;
- (ii) the methodologies and models used to prepare the resource estimates either underestimate or overestimate the resources due to hidden or unknown conditions;
- (iii) operations are disrupted or suspended due to acts of God, pandemics, internal conflicts in the country of Malaysia, unforeseen government actions or other events;
- (iv) the Group experiences the loss of key personnel;
- (v) the Group’s site operations are adversely affected by other political or military, or terrorist activities;
- (vi) the Group becomes involved in any material disputes with any of its key business partners, lenders, suppliers, or customers; or
- (vii) the Group is subjected to any hostile takeover or other unsolicited attempts to acquire control of the Group.

Other factors that could cause the actual results to differ materially from current expectations include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions, as well as those risks described below under the heading “RISKS AND UNCERTAINTIES”.

These forward-looking statements are based on several assumptions, including 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 prospects should be read in conjunction with the consolidated audited financial statements for the year ended 30 June 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 months ended 30 September 2021 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.

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

Besra Gold Inc. is a Canadian incorporated public company which was admitted to the official list of the Australian Securities Exchange (**ASX**) on 6 October 2021 and whose common shares were quoted and commenced trading on ASX on 8 October 2021 (**Listed**).

Bau Gold Project

Besra is in a consortium with a Malaysian Group with Bumiputra interests that own the rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia (‘Bau Gold Project’).

Besra’s interests in mining tenements extend across four concessional areas, collectively covering approximately 1,340km² of Sarawak; the Bau Gold Project (consisting of Blocks A and B), Rawan and Serian (Block C) areas. The Bau Gold Project contains a combined JORC 2012 compliant Resource, on a 100% basis, of 72.61Mt at 1.43g/t Au for 3.33Moz of gold. Both the Rawan and Serian concessional areas are viewed as greenfield exploration opportunities.

As at the reporting date, Besra has a 97.8% interest (92.8% equity adjusted interest) in the Bau Gold Project.

Key Personnel

As Besra transitioned toward the successful listing on ASX in October 2021 the senior management team was further strengthened with the engagement of Dr. Ray Shaw, Mr Kevin Wright and Ms Eryn Kestel.

On 1 October 2021, Dr. Ray Shaw commenced as Chief Executive Officer. Ray is a geologist with a B.Sc. (Hon) and Ph. D who has been working on the Bau Gold Project for more than the past two years.

Besra's Project Manager for the Bau Gold Project, Mr Kevin Wright, who previously worked for the company on its former Vietnamese mines and was for nine years general manager for Monument Mining Ltd Selingsing Gold Mine in Pahang, Malaysia entered into a service agreement with Besra to continue as Project Manager on a full-time basis on 8 October 2021.

Ms Eryn Kestel was appointed CFO and Company Secretary on October 8, 2021. Ms Kestel has 28 years’ corporate experience that includes over 13 years in the role of company secretary for ASX listed entities and has an established career in accounting and business.

The composition of the Board was also strengthened as at listing date - Mr Robert Dunne was appointed a non-executive director of the Company on 8 October 2021. Rob Dunne is a highly experienced metallurgist and process engineer having worked extensively with refractory ores and developing and operating gold processing facilities, including the globally significant Carlin mineralisation belt in Nevada USA.

Messrs. Paul Ingram, and Mark Eaton were appointed non-executive directors on 10 September 2021. Paul is a geologist and experienced listed public company director who previously worked on the Bau Project in the 2000s. Mark Eaton is a highly accomplished capital markets specialist, previously Managing Director of

Global Mining Sales and US Equity Sales for CIBC World Markets before managing a number of listed public companies in recent years, has also joined the board.

Property Description & Location

Besra's Bau Gold Project is located 30-40km from Kuching, the capital city of the province of Sarawak, Malaysia on the island of Borneo. The project area is centred around the township of Bau. Both concession Block C (Serian) and Rawan, in which Besra has interests, are located east of Bau nearer to the Sarawak/Kalimantan border.

As shown in Figure 0-1 Kuching, the capital of Sarawak, is located to the north of Besra's concession interests. Kuching is a sophisticated city with international airport and deep-water port facilities, the Kuching district itself containing a population of approx. 640,000 people.

With a population of 6,000, Bau 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 developments and domestic farming. 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, and there is community support of mining operations as a source of employment, particularly 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 which is supported by Besra.

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 Jakarta. 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;
- Experienced labour and heavy engineering support services;
- Easy accessibility - project extremities are less than a 20-minute drive from the Bau township exploration base, and all the key priority gold prospects are linked by road;
- 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;

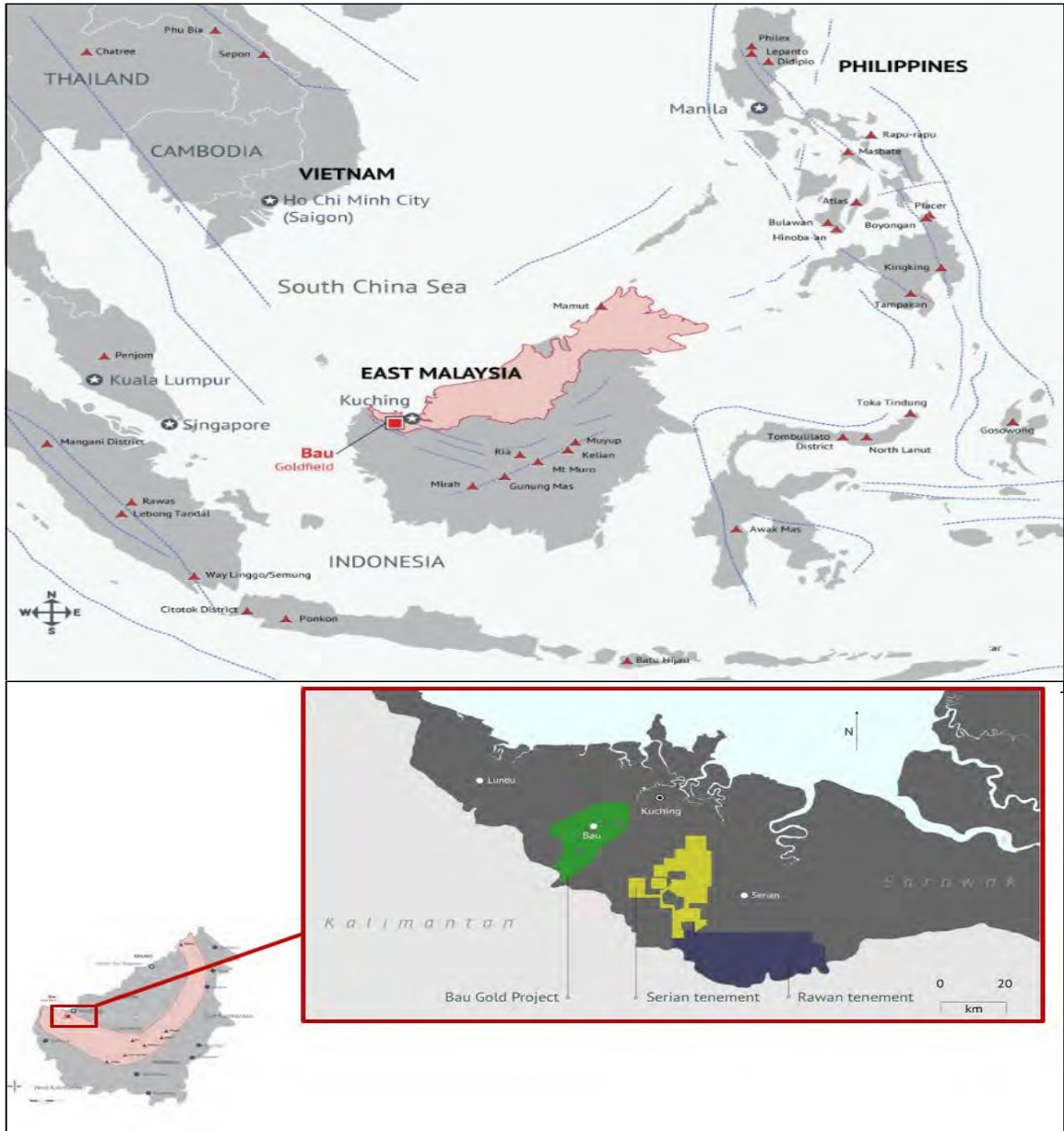


Figure 0-1 - Location of Besra's interests in mining concessions, Sarawak Malaysia.

- An active limestone and marble quarrying industry providing products for construction, aggregates and agricultural purposes;
- Earthmoving equipment that supports the existing quarrying industry; and
- A skilled local labour source with mining experience gained from the quarrying industry and past gold mining activity.

Group corporate structure

Besra's interest in the Bau Gold Project is held through its direct and indirect interests in North Borneo Gold Sdn Bhd (NBG). Figure 0-2 shows the relative ownership interests in NBG.

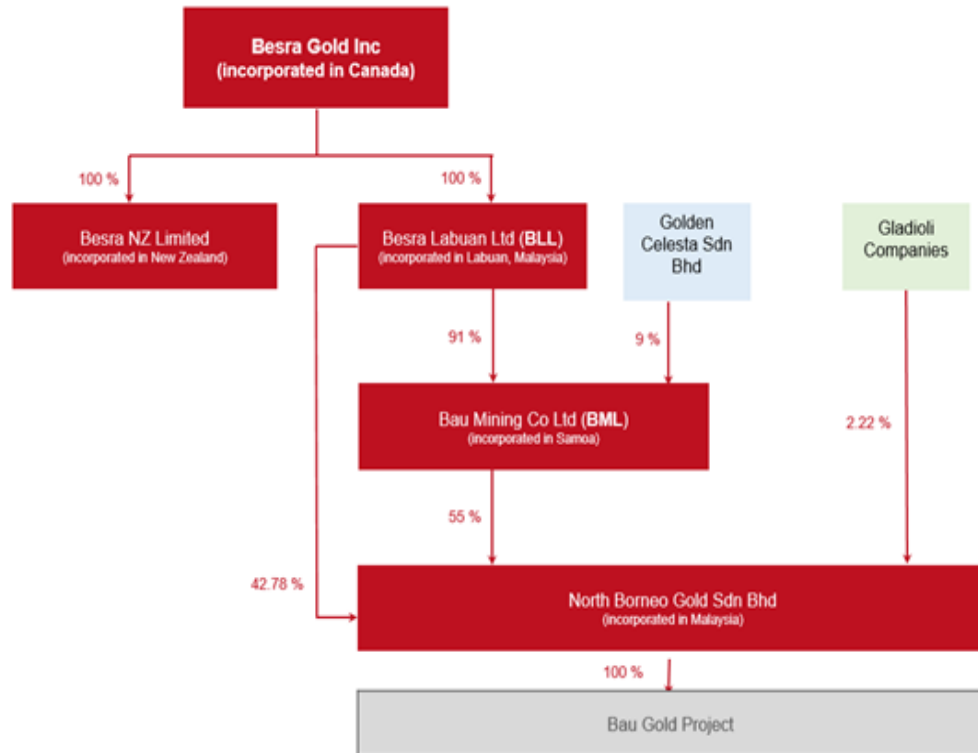


Figure 0-2 - Corporate Structure of Besra Gold Inc

Overall Highlights

The Group Financial Statements are prepared on a consolidated basis.

Besra received conditional admission approval from the ASX on 24 September 2021 (**Conditional Admission**), was admitted to the Official List of the ASX on 6 October 2021, and its securities quoted and commenced trading on 8 October 2021.

The IPO raised A\$10.043m. Following Conditional Admission, the Company issued the following CDIs on 29 September 2021:

- 83,942,611 to holders of the secured notes in full satisfaction of all amounts outstanding under those notes.
- 52,274,000 to the holders of the Bridge Notes and Novus Advances in full satisfaction of all amounts outstanding under the respective financing agreements.
- 69,844,355 upon Conditional Admission to the holders of the Creditor Notes / New Notes in full satisfaction of all amounts outstanding under the Creditors Notes / New Notes.
- 532,457 to certain trade creditors.
- 12,500,000 to Gladioli Group.
- 20,000,000 to Pangaea Resources Limited ('Pangaea').
- 50,218,484 to IPO investors to raise \$10,043,697. Proceeds from the IPO have been recorded as restricted cash at 30 September 2021 and became available to use upon admission to the ASX in October 2021.

The cash proceeds from the IPO will be applied towards exploration & development activities at the Bau Gold Project, general working capital, listing costs and other trade creditors of the Group.

Corporate and Administrative Expense

| in USD | 3 Months to 30 September | | 3 months to 30 September | |
|--------------------------------|--------------------------|---------|--------------------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| Professional & Consulting Fees | 121,644 | 292,242 | 121,644 | 292,242 |
| Fundraising costs | 158,738 | - | 158,738 | - |
| Management & Administration | 127,630 | 349,065 | 127,630 | 349,065 |
| Travel & Accommodation | - | 3,089 | - | 3,089 |
| Office & Facilities | 54,691 | 29,014 | 54,691 | 29,014 |
| Insurance | 327 | 24,645 | 327 | 24,645 |
| Directors Fees | 35,382 | 35,000 | 35,382 | 35,000 |
| | 498,412 | 734,055 | 498,412 | 734,055 |

Bau Project Exploration and Evaluation Expenditure Detail

| in USD | 3 Months to 30 September | | 3 months to 30 September | |
|-----------------------------------|--------------------------|--------|--------------------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Exploration Office and Consulting | 52,669 | 82,708 | 52,669 | 82,707 |
| | 52,669 | 82,708 | 52,669 | 82,708 |

Summary of assets held

As at 30 September 2021 total assets amounted to \$29,729,522 including exploration and evaluation assets of \$22,284,572. Total liabilities amounted to \$4,009,149.

The Group's sole asset Bau Gold Project, refer above, consists of mining and exploration tenements within the Bau Goldfield. Besra's 100% owned subsidiary Besra Labuan acquired its interest in North Borneo Gold (NBG), which owns rights to the mining tenements covering the area of Bau. Besra acquired its interest in Bau in accordance with the agreement for the sale of shares in NBG between Gladioli, Besra Labuan and Mr. Ling Lee Soon (guarantor of Gladioli) dated 1 October 2010, as amended and restated on 12 May 2013 and 17 November 2016 ("SPSA").

Under the terms of the SPSA Besra was required to pay a further \$7.6 million consideration to Gladioli to acquire the remaining shares in NBG. In March 2021, in consideration of the issue to Gladioli of 12.5 million Besra CDIs issued at A\$0.20 per CDI upon completion of the Listing, Gladioli, Besra and Besra Labuan agreed to a further amendment of the SPSA and to release Besra and Besra Labuan of their obligations to complete the purchase of the remaining shares in NBG ("SPSA Variation"). Pangaea agreed to acquire 16,221 shares in NBG for cash consideration of A\$4.0 million and Besra agreed to acquire 14,419 shares in NBG from Pangaea by issuing 20.0 million CDIs to Pangaea at A\$0.20 per CDI upon completion of the Listing.

Pangaea acquired the 14,419 NBG shares on 7 July 2021. Upon the issue of the 12.5 million and 20 million CDIs to Gladioli and Pangaea respectively, Besra's interests in NBG increased to 97.8% and its equity-adjusted interest increased to 92.8%. The acquisition cost of \$4,778,150 is reflected in the increase in the carrying value of the Bau Gold Project.

Liquidity & Capital Resources

On 30 September 2021, the Group had cash on hand of \$18,631 and restricted cash of \$7,383,122 (2020: \$223,447) and working capital surplus of \$3,609,571 (2020 a deficit of \$20,076,405).

Cash used in operating activities was \$391,463 for the 3 months to 30 September 2021 (2020: \$1,061,769). The investing cash expenditure for the 3 months was \$nil of exploration and evaluation costs (2020: \$nil) at Bau Gold Project.

During the period \$398,948 of additional funds were raised (2020: \$1,253,956) to fund ongoing working capital through to Listing.

Related Party Disclosure

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

| Company Name | Jurisdiction | Ownership % 30 Sep 2021 | Ownership % 30 Jun 2021 |
|--|--------------|----------------------------|----------------------------|
| Besra NZ Limited (formerly OYM NZ Limited) | New Zealand | 100.0 | 100.0 |
| Bau Mining Co Ltd | Samoa | 91.0 | 91.0 |
| North Borneo Gold Sdn Bhd | Malaysia | 97.8 | 87.1 |
| Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited). | Malaysia | 100.0 | 100.0 |

Related parties of the Group considered to be Key Management.

Key Management

| in USD | 3 Months to 30 September | | 3 Months to 30 September | |
|--------|--------------------------|------|--------------------------|------|
| | 2021 | 2020 | 2021 | 2020 |

| | | | | |
|------------------------------------|--------|--------|--------|--------|
| Management fees and salary expense | 99,750 | 75,000 | 99,750 | 75,000 |
|------------------------------------|--------|--------|--------|--------|

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

Contractual Commitments

Pursuant to the terms of the SPSA Variation NGB entered into a Consultancy Agreement with Bukit Young Goldmine Sdn Bhd, ('Contractor') a member of the Gladioli Enterprises group to provide to consultancy services to the Group.

A fee of \$A250,000 per annum, will be paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term of the agreement. The agreement may be extended on terms mutually agreed between the parties.

Selected Annual Information

| in USD | Year Ended 30 June 2021 | Year Ended 30 June 2020 | Year Ended 30 June 2019 |
|--|----------------------------|----------------------------|----------------------------|
| Revenue | - | - | - |
| Profit (loss) & comprehensive profit (loss) | 1,977,662 | (1,062,046) | (22,500,523) |
| Comprehensive profit (loss) attributable to shareholders of the parent | 1,981,359 | (1,057,833) | (18,863,527) |
| Basic and Diluted profit (loss) per share | 0.007 | (0.001) | (0.019) |
| Total Assets | 17,564,800 | 17,605,914 | 17,586,915 |
| Total Liabilities | 32,362,224 | 19,088,669 | 17,530,848 |
| Total Equity | (14,797,424) | (1,482,755) | 56,067 |

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

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 |
|----------------------------|------------|--------------|------------|-------------|-------------|-------------|------------|------------|
| Profit (loss) | 3,972,411 | (10,261,717) | (715,815) | (1,277,304) | (1,057,833) | (1,254,508) | 576,055 | (512,377) |
| Profit (Loss) per share | 0.014 | (2.129) | (0.149) | (0.265) | (0.219) | (0.260) | 0.120 | (0.106) |

There was no Revenue earned during any of the quarters.

The variance in Net profit Income for the Q1 2022 period is due, in the main, to settlements with several parties in Trade payables, Accruals and other payables which resulted in a write off of \$3,058,719. The settlement terms were contingent on Conditional Admission. Variances in profit (loss) in other periods are mainly due to re-valuing derivative liabilities and any other fair value adjustments and impairments.

Off-Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Financial Instruments

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

Outstanding Share Data

| in USD | Number of Common Shares | Amount |
|--|-------------------------|--------------------|
| Balance 30 June 2021 | 4,818,622 | 141,517,358 |
| Issue of CDIs to holders of Derivative Liabilities | 153,786,966 | 22,609,800 |
| Issue of CDIs to Bridge Notes and Novus Advances holders | 52,274,000 | 2,420,877 |
| Issue of CDIs to trade creditors | 532,457 | 78,282 |
| Issue of CDIs in accordance with the SPSA (refer above 'Summary of assets held') | 32,500,000 | 4,778,150 |
| Issue of CDIs to IPO investors | 50,218,484 | 7,383,122 |
| Issue costs | - | (1,323,673) |
| Balance 30 September 2021 | 294,130,529 | 177,463,916 |

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 2021 and Unaudited Condensed Interim Consolidated Financial Statements for the three months ended 30 September 2021.

Future accounting standards issued and adopted

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

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

Accounting Policies

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

Risk Factors and Uncertainties

Readers of the MD&A are encouraged to read the "Risk Factors and Uncertainties" as more fully described in Besra's filings with the Canadian Securities Administrators. It is also included in the Audited Consolidated Financial Statements for the year ended 30 June 2021.

Subsequent events

Besra was admitted the Official List of the ASX on 6 October 2021 and its securities quoted and commenced trading on 8 October 2021. There have been no other significant events after the reporting date.

Approval of the MD&A

This MD&A has been prepared by management with an effective date of 29 November 2021.

The MD&A and the Unaudited Condensed Interim Consolidated Financial Statements for the 3 months ended 30 September 2021 were approved by the Board of Directors of the Group.

