

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the six months ended
31 December 2021**

(in United States Dollars)



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Directors' Report

The directors ('Directors') of Besra Gold Limited ('Besra' or the 'Company') present their Report together with the financial statements of the Consolidated Entity, being the Company and its Controlled Entities (the 'Group') for the half-year ended 31 December 2021.

Director details

The following persons were Directors of Besra during or since the end of the financial half-year:

- Mr. Andrew Worland, Non-Executive Chairman
- Mr. Jon Morda, Non-Executive
- Mr. Mark Eaton, Non-Executive
- Mr. Paul Ingram, Non-Executive
- Mr. Rob Dunne, Non-Executive, appointed 8 October 2021.
- Mr. John Seton, Executive Director

Company Secretary

Ms Eryn Kestel

Review of Operations and Financial Results

Besra 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 commenced trading on ASX on 8 October 2021 (the 'Listing').

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'). The Company's main undertaking has been and continued to be in the current period the exploration and development of the 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 3.33Moz¹ 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.

During the six months ending 31 December 2021, Besra successfully negotiated drilling, technical and logistical support contracts as well as completed land access arrangements, in order to commence drilling at the Bau Gold Project. Drillcorp Malaysia Sdn Bhd ('Drillcorp') was contracted to provide two rigs to undertake diamond hole drilling. This program of between 3,000m – 4,000m is the first drilling conducted at the Bau Gold Project since 2017-2018.

Jugan drilling

Drilling commenced at the Jugan Project, located approximately 6 km NE of Bau township (Figure 1), in early November 2021.

Jugan is the most advanced of the projects at the Bau Gold Project, having a JORC Resource of:

- A Measured + Indicated Resource¹ of 870,000oz at 1.5 g/t Au;
- An Inferred Resource² of 90,000oz at 1.6 g/t Au; and
- An additional Exploration Target of 2.0 – 3.2 Moz^{2,3} at 1.8 - 2.5 g/t Au.

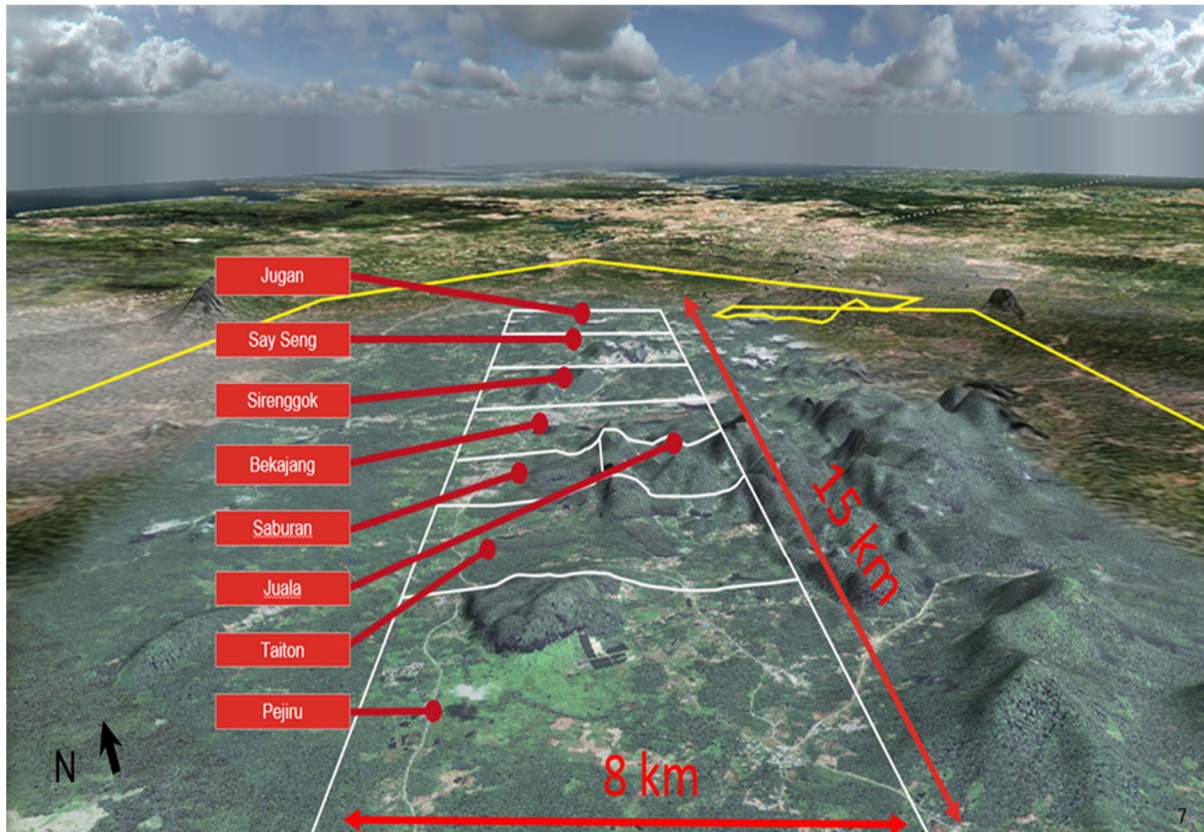


Figure 1 - Location of deposits along the Bau goldfield corridor.

As at 31 December 2021, seven holes had been completed, with logging and sampling completed on five (Figure 1). During December 2021 samples for drill holes JUDDH -82, -83, -84, & -85 were despatched to SGS’s laboratories in Pt Klang Malaysia for assay analysis. The assay results were pending at the end of the Reporting Period.

Hole ID	Project	Easting	Northing	Elevation	Decline	Azimuth	Depth
JUDDH-82	Jugan	411330	160185	20	-90		62.9
JUDDH-83	Jugan	411360	160200	29	-90		55.1
JUDDH-84	Jugan	411315	160230	34	-90		80.1
JUDDH-85	Jugan	411390	160187	25	-90		55.5
JUDDH-86	Jugan	411435	160170	20	-90		59.1

¹ Refer Prospectus dated 8 July 2021 in Section 3.11 and Attachment G.

² Jugan Exploration Target ranges between 2.0 – 3.2 million Oz based on a range of grades of 1.82 – 2.50 Au g/t

³ The potential quantity and grade of the Exploration Targets is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource.

Hole ID	Project	Easting	Northing	Elevation	Decline	Azimuth	Depth
JUDDH-87	Jugan	411360	160220	29	-50	335	79.2
JUDDH-88	Jugan	411500	160220	35	-50	45	117.4
JUDDH-89	Jugan	411400	160250	30	-50	45	
JUDDH-90	Jugan	411465	160275	25	-50	45	
JUDDH-91	Jugan	411450	160238	32	-90		
JUDDH-92	Jugan	411450	160220	40	-90		

TABLE 1- Jugan Project diamond drill holes as at 31 December 2021.

Although the area is easily assessable, the specific locations of each drill pad have required access ways, culverts and lay-out areas to be prepared). The location of the drill hole program at Jugan is shown on Figure 2 and the specifications of each hole are tabulated in Table 1.

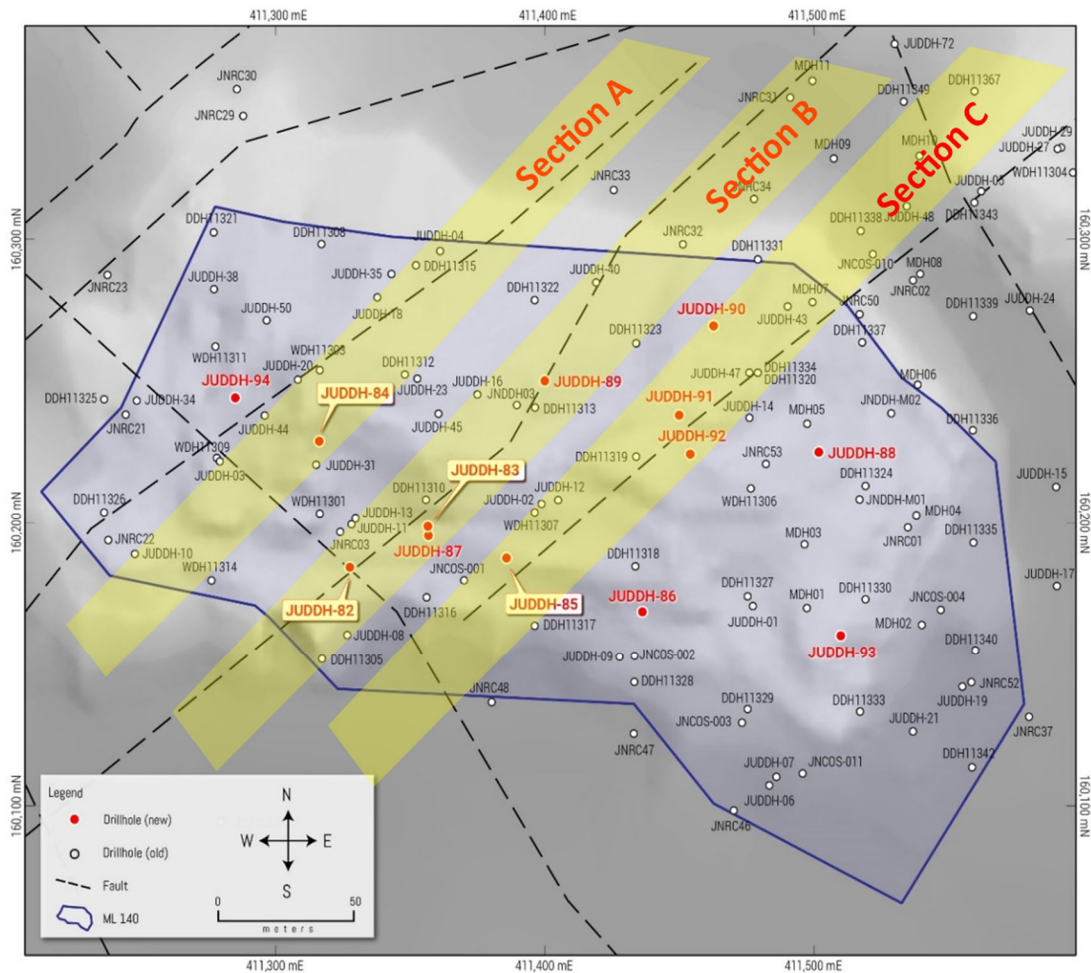


Figure 2- Location of the 2021-2022 JUDDH-82 to- 92 DDH hole program, Jugan Project.

Visual sulphide mineralisation has been observed in core recovered from all holes. The sulphides at Jugan are dominated by arsenopyrite with subordinate pyrite, either as highly disseminated fine grain occurrences mostly within shale shales or more concentrated occurrences associated within veining, stockworks, sand laminations and occasional breccia.

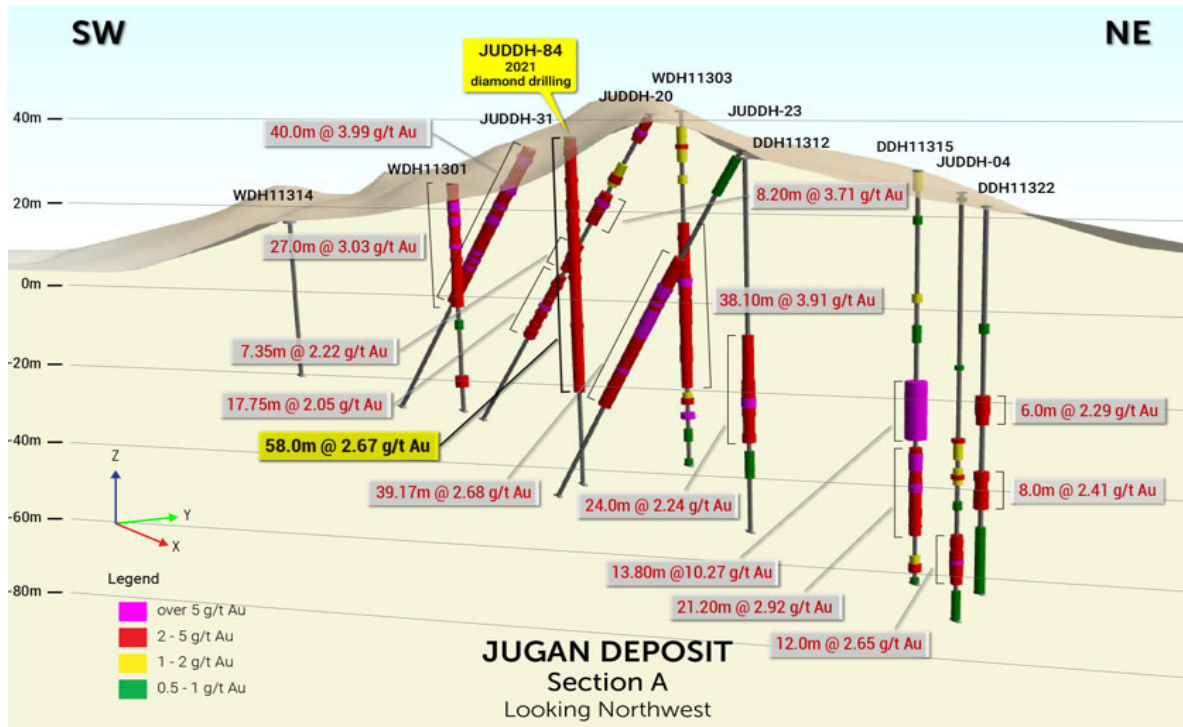


Figure 3: Section A showing the position of drill hole JUDDH-84. The surface foot-print of the cross-section onto which these drill holes were projected is shown in Figure 2.

Because of its refractory style, gold mineralisation is normally correlated to the presence of sulphides and visible gold in core is very rare.

The occurrences of sulphide mineralisation at Jugan are consistent with pre-drill expectations.

On 17 February 2022 Besra released the results of the assays for the drill holes JUDDH -82 to -85.

These holes are part of a drilling program focused on infilling historical drillhole control to better define lateral continuity and grade in an area of shallow to outcropping mineralisation. Mineral intercepts for the first 4 diamond drill holes cored at the Jugan Project are summarised below, based on 0.5 g/t cut-off and 1 m or less of internal dilution:

- JUDDH-83: 26 m @ 2.23 g/t Au from surface (0 m) to 26 m;
- JUDDH-84: 58 m @ 2.67 g/t Au from surface (0 m) to 58 m; and
- JUDDH-85: 19 m @ 2.21 g/t Au from 9 m to 28 m.

Assay results for JUDDH -83, -84 and -85 confirm lateral continuity of the Jugan mineralised body between gaps in the historical drilling (Figure 3) across the southwestern flank of Jugan Hill. Across this flank mineralisation outcrop geometry and the absence of gold mineralisation in JUDDH-82 confirm that the mineralisation is terminated towards the southwestern boundary of ML 140 by a fault, previously interpreted as northwest trending. Intercepted grades of mineralisation across the southwestern flank of Jugan Hill are consistent with historical drill results and support this to be an area of substantially higher-grade mineralisation, relative to Resource estimated grades for the Jugan Project overall.

JUDDH-84 intercepted a continuous interval of mineralisation (58 m @ 2.67 g/t), some 15 – 20 m thicker than that encountered in surrounding historical drill holes (Figure 3).

Likewise, JUDDH-83, intercepted a substantial thickness of mineralisation extending from the surface to 26 m which is more uniform and consistent than that encountered in surrounding historical drill holes. The results from drillholes JUDDH-87 and -89, will provide additional down-dip control of the mineralisation in the direction of the north-easterly plunging mineralised limb.

JUDDH-85 also encountered higher grade mineralisation relative to that encountered in more proximal historical drill holes and drillholes JUDDH -91 and -92 will provide infill geological control in the crestal area, coincident with the Jugan Hill topographic feature, whereas JUDDH -90 will provide additional subsurface control down dip in the direction of the north-easterly plunging mineralised limb. Drilling of holes JUDDH -90 to -92 has been completed.

Jugan Environmental Impact Assessment

The Environmental Impact Assessment (“EIA”) is a process of evaluating the likely environmental impacts associated with a future proposed development proposal of the Jugan Project involving mining and processing. The EIA is being undertaken by a Sarawak based firm, Chemsain Konsultant Sdn Bhd and involves an area of approximately 300 hectares, encompassing MLs 140 and 1/2013/1D. The EIA is anticipated to be completed during Q2/Q3 2022.



Figure 4 - Meeting with Pejiru stakeholders.

This EIA is a process of evaluating the likely environmental impacts associated with a future proposed development proposal of the Jugan Project involving mining and processing. The EIA will be used for decision-making purposes by the Natural Resources and Environment Board of Sarawak and other relevant agencies.

Administration Footprint

Besra has rapidly established its operational centre in the township of Bau including upgrading the office and living quarters and communications. New core and sample shed facilities have been constructed during the six months ending 31 December 2021.

Technical and logistical support for the drilling operations has been contracted to Geoimpact Resources, a group of very experienced geologists and operational specialists several of whom had previously worked at Bau with Besra and with the drilling contractors Drillcorp. Overall supervision is provided by Kevin Wright, Project Manager.

During the six months ending 31 December 2021 the Company met with community leaders, landowners, and other stakeholders at Bau (Figure 4) to discuss forecast exploration plans, project management, access needs and the implementation of COVID public health care protocols for employees & contractors consistent with national and state government regulations.

Corporate and Financial

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.

Besra completed its Initial Public Offer and listing on ASX by raising A\$10.043 million before costs. Following Conditional Admission, the Company issued the following CDIs on 29 September 2021:

- 83,942,611 to holders of 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.

During the six-month period ending 31 December 2021, the Group made a loss of \$4,407,434 (2020: loss of \$2,320,395), including a fair value loss on settlement of loans of \$4,609,328 and share based payments of \$2,707,000 both of which are non-cash expenses.

On 31 December 2021, the Group's current assets exceeded its current liabilities by \$2,287,707 (on 30 June 2021: current liabilities exceeded current assets by \$32,066,489). Cash and cash equivalents on hand at 31 December 2021 was \$3,468,863 (30 June 2021: \$11,146).

Significant events after the balance date

On 17 February 2022 Besra released the results of the assays for the drill holes JUDDH 82 to 85. Refer to the review of operations for further details.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Auditor independence

A copy of the Auditor's Independence Declaration is included on page 9 of this financial report and forms part of this Directors' Report. Signed in accordance with a resolution of the Directors.



Andrew Worland
Chairman
15 March 2022

Auditor's Independence Declaration

To the Directors of Besra Gold Inc

As lead auditor for the review of Besra Gold Inc for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 15 March 2022

Condensed Interim Consolidated Statement of Financial Position

in USD	Notes	As at 31 December 2021	As at 30 June 2021
ASSETS			
<i>Current</i>			
Cash and cash equivalents		3,468,863	11,146
Tax and other receivables		9,988	25,511
Prepaid expenses		3	7,486
		3,478,854	44,143
<i>Non-current</i>			
Property plant and equipment		7,035	14,235
Exploration & evaluation	4	17,842,848	17,506,422
		17,849,883	17,520,657
TOTAL ASSETS		21,328,737	17,564,800
LIABILITIES			
<i>Current</i>			
Trade and other payables	5	947,518	5,538,254
Derivative liability	7	-	21,778,785
Loans and borrowings	6	243,628	4,793,593
		1,191,146	32,110,632
<i>Non-current</i>			
Loans and borrowings	6	114,619	251,592
TOTAL LIABILITIES		1,305,765	32,362,224
NET ASSETS		20,022,972	(14,797,424)
EQUITY			
Issued capital	9	182,816,338	141,517,358
Reserves	10	2,707,000	-
Accumulated losses		(164,637,525)	(154,874,482)
		20,885,813	(13,357,124)
Non-controlling interest		(862,841)	(1,440,300)
TOTAL EQUITY		20,022,972	(14,797,424)

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

**Condensed Interim Consolidated Statement of Profit and Loss
 and Comprehensive Profit and Loss**

in USD	Notes	Six Months to 31 December	
		2021	2020
Revenue		-	-
Corporate and administrative expense		(943,888)	(1,584,571)
Forgiven on settlements	5	2,738,130	-
Exploration		103,381	113,922
Depreciation and amortization		(7,200)	(11,017)
Finance costs recovered (charged)	11	425,241	(110,882)
Derivative fair value revaluation	7	593,230	(727,847)
Fair value loss on settlement of loans	6	(4,609,328)	-
Share based payments	10	(2,707,000)	-
LOSS BEFORE INCOME TAX		(4,407,434)	(2,320,395)
Income tax	8	-	-
LOSS FOR THE PERIOD		(4,407,434)	(2,320,395)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,407,434)	(2,320,395)
Loss for the period attributable to:			
Shareholders of the parent		(4,414,691)	(2,335,137)
Non-controlling interests		7,257	14,742
Basic and diluted loss per share	12	(0.017)	(0.009)

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

Condensed Interim Consolidated Statement of Cash Flows

in USD	Notes	Six Months Ended 31 December 2021	Six Months Ended 31 December 2020
OPERATING ACTIVITIES			
Total Comprehensive Loss for the period		(4,407,434)	(2,320,395)
<i>Items not affecting Cash</i>			
Creditor settlements	5	(2,738,130)	-
Depreciation & amortization		7,200	11,017
Fair value loss on settlement of loans	6	4,609,328	-
Finances costs (recovered)		(869,676)	(37,372)
Foreign exchange adjustments		(75,293)	170,803
Derivative revaluation		(593,230)	727,847
Share based payments	10	2,707,000	-
<i>Changes in non-cash working capital balances</i>			
Trade and other receivables and other financial assets		23,005	(9,488)
Trade and other payables		(1,515,610)	310,321
Cash used in operating activities		(2,852,840)	(1,147,267)
INVESTING ACTIVITIES			
Exploration and evaluation costs		(336,426)	-
Cash used in investing activities		(336,426)	-
FINANCING ACTIVITIES			
Proceeds from issue of share capital	9	7,383,122	-
Proceeds from financing loan		398,948	1,345,756
Repayment of loans		(1,176,396)	(192,203)
Cash provided by financing activities		6,605,674	1,153,553
Increase in cash during the period		3,416,408	6,286
Cash - beginning of the period		11,146	31,260
Effect of exchange rate on cash		41,309	1,130
Cash - end of the period		3,468,863	38,675

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

Condensed Interim Consolidated Statement of Changes in Equity

in USD	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2021	141,517,358	-	(154,874,482)	(1,440,300)	(14,797,424)
Contributions from owners					
Issue of share capital	41,879,559	-	-	-	41,879,559
Share issue costs	(580,579)	-	-	-	(580,579)
Total contributions from owners	182,816,338	-	(154,874,482)	(1,440,300)	26,501,565
Share based payments	-	2,707,000	-	-	2,707,000
Adjustment for change in Minority Interest			(570,202)	570,202	-
Acquisition of Minority interest	-	-	(4,778,150)	-	(4,778,150)
Total comprehensive income (loss)	-	-	(4,414,691)	7,257	(4,407,434)
Balance at 31 December 2021	182,816,338	2,707,000	(164,637,525)	(862,841)	20,022,972
Balance at 1 July 2020	141,517,358	(20,563,257)	(121,011,748)	(1,425,108)	(1,482,755)
Total comprehensive (loss)	-	-	(2,335,137)	14,742	(2,320,395)
Balance at 31 December 2020	141,517,358	(20,563,257)	(123,346,885)	(1,410,366)	(3,803,150)

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

Notes to the Condensed Interim Consolidated Statements

1. Background and Nature of Business

During the financial year ended 30 June 21 and for the period ending 31 December 2021, the business of Besra Gold Inc. and subsidiaries ('Besra' or 'the Company') consisted of interests in mining tenements and applications within the Malaysian State of Sarawak and principally the Bau Gold Project ('Bau').

The 31 December 2021 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc.

2. General Information

Besra Gold Inc is the ultimate parent company, and it is a limited liability company incorporated in Canada. Its registered office is 67 Yonge St, Suite 701, Toronto, Ontario, Canada and principal place of business for the period is located at 45 Ventnor Avenue, West Perth, WA, 6005, Australia.

3. Basis of Preparation & Significant Accounting Policies

Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with International Accounting Standards "34", Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the Consolidated financial statements for the year ended 30 June 2021 and any public announcements made during the interim reporting period.

Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's latest annual financial statements for the year ended 30 June 2021.

These policies have been applied consistently to all financial periods presented, unless otherwise stated.

Historical cost convention

The interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value. The financial statements are presented in United States dollars (USD) which is also the functional currency of Besra Gold Inc. and its subsidiaries and are rounded to the nearest dollar unless otherwise stated.

Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions that affect the application of accounting policies and the reported net assets and financial results. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are continually reviewed based on historical experience and reasonable expectations of future events.

The accounting estimates, judgements and assumptions applied in these interim financial statements are in accordance with those that were applied and disclosed in the annual financial statements for the year ended 30 June 2021, unless otherwise stated.

New standards not yet adopted by the Group

The Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

There are no new standards and interpretations in issue which are mandatory for 31 December 2021 reporting periods that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Going Concern

These interim consolidated financial statements for the period to 31 December 2021 have been prepared on a going concern basis which assumes that the Company and the entities it controls will be able to realize its assets and discharge its liabilities in the normal course of business.

During the six-month period ended 31 December 2021, the Group made a loss of \$4,407,434, had cash outflows from operating and investing activities of \$3,189,266 and financing cash inflows of \$6,605,674. At 31 December 2021, the Group's current assets exceeded its current liabilities by \$2,287,708.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern but acknowledge that additional capital as required to fund the exploration program and therefore it is appropriate to adopt the going concern basis in preparation of the financial statements. If additional capital is not obtained as required, then the going concern basis may not be appropriate, with the result being that the Group may not realise its assets and extinguish its liabilities in the ordinary course of business, and at amounts different from those stated in the half-year financial report.

Basis of Consolidation

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

Company Name	Jurisdiction	Ownership % 31 Dec 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 ("NBG")	Malaysia	97.8	92.3
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited)	Malaysia	100.0	100.0

During the six months ending December 31 2021 the Company increased its interest in NBG to 97.8% - refer note 4.

4. Exploration & Evaluation

in USD	6 Months Ended 31 December 2021	Year Ended 30 June 2021
Opening Balance	17,506,422	17,506,422
Additions	336,426	-
Closing Balance	17,842,848	17,506,422

The Group's major asset is the mining and exploration tenements within the Bau Goldfield. Besra's 100% owned subsidiary Besra Labuan acquired its interest in NBG, which owns rights to the mining tenements covering the area of Bau. The Company 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 ASX 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 AUD\$4.0 million and Besra agreed to acquire 14,419 shares in NBG from Pangaea by issuing 20.0 million CDIs to Pangaea at AUD\$0.20 per CDI upon completion of the ASX 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%.

5. Trade & Other Payables

in USD	As at 31 December 2021	As at 30 June 2021
Trade payables	861,493	1,338,243
Taxes and government fees	14,348	12,934
Accruals and other payables	71,677	4,187,077
Total	947,518	5,538,254

Upon Conditional Admission to the ASX \$2.74m of Trade and Other Payables at 30 June 2021 were forgiven pursuant to the terms of various settlement agreements between the Company and creditors and 532,457 CDIs were issued in satisfaction of a further \$1.74m of Trade and Other Payables at 30 June 2021.

6. Loans and Borrowings

in USD	As at 31 December 2021	As at 30 June 2021
Current Liabilities		
Secured Bridge Notes	-	2,365,434
Other current indebtedness (unsecured)	243,628	2,428,159
	243,628	4,793,593
Non-current Liabilities		
Other current indebtedness (unsecured)	114,619	251,592
Total	358,247	5,045,185

- Secured Bridge Notes
- The Secured Bridge Notes of \$2,365,434 at 30 June 2021 and were paid out upon issue of 40,206,349 CDIs upon the ASX listing. This resulted in a fair value loss on settlement of \$3,545,253.
- Other current and non-current indebtedness (unsecured)
- Included in other current indebtedness (unsecured) are the following financing arrangements entered into by the Company to meet its working capital needs:

- Clients of Novus Capital have provided unsecured advances totalling approximately \$986,197 (2020: \$927,265) to the Company for working capital purposes ('Novus Advances') and were paid out upon issue of 12,067,651 CDIs upon the ASX listing. This resulted in a fair value loss on settlement of \$1,064,075.
- The InCoR Services Loan was a fixed interest loan agreement of C\$300,000, unsecured, with an interest rate of 12% per annum, payable at maturity. The balance owing, including accrued interest, as at 30 September 2021 was C\$298,225 and was repaid from the proceeds from the ASX Listing.
- Other short-term financing obtained both from related entities and third parties prior to the ASX Listing totalling \$603,334 (2020: \$nil) were arranged prior to 30 September 2021 are on terms similar to those under the InCoR Services Loan. The balance outstanding was repaid from the proceeds of the ASX Listing.
- North Borneo Gold Debt Notes of \$441,842 (2021: \$425,639), were repaid in full from the proceeds of the Listing.
- The Company entered into two settlement agreements with historic suppliers who have provided drilling and assaying services for the Bau Gold Project to repay amounts due totalling \$703,611 on a deferred payment schedule through to 2023. \$114,619 (2021: \$251,292) of this amount is a non-current liability.

7. Derivative Liabilities

in USD	As at 31 December 2021	As at 30 June 2021
Current Liability		
Convertible Note (secured)	-	1,981,356
Exit financing Note (secured)	-	9,905,972
Creditor convertible notes (unsecured)	-	9,891,457
Total	-	21,778,785

Derivative Liabilities were satisfied in full by the issue of 153,786,966 CDIs on 29 September 2021 which extinguished all obligations owed by the Company under those financing arrangements.

The fair value for the derivative liabilities for the period 1st July 2021 to 29th September 2021 prior to settlement of the derivative liabilities by conversion to equity had a \$593,230 gain.

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

8. Income Tax

Unrecognized Tax Losses/Unrecognised Deductible Temporary Differences

The Group has unrecognized deferred tax assets in relation to tax losses that are available to carry forward against future taxable income of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in entities for which it is not probable that there will be

taxable profits in the future. Tax losses available in Canada are \$66,667,202 and will variously expire twenty years after the year in which the respective loss was incurred.

9. Issued Capital

Common Shares and Chess Depository Interest (CDIs)

The Company is authorised to issue an unlimited number of common shares with one vote per share and no-par value per share. The company has also issued CDIs as part of the listing on the ASX. Each CDI is the equivalent of 1 Common Share.

in USD	Number of Common Shares and CDIs	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	7,030,205
Issue of CDIs to trade creditors	532,457	78,282
Issue of CDIs in accordance with the SPSA (refer note 4)	32,500,000	4,778,150
Issue of CDIs to IPO investors on ASX listing	50,218,484	7,383,122
Issue costs	-	(580,579)
Balance 31 December 2021 of Shares and CDIs	294,130,529	182,816,338

10. Share based payments

The company issued Options and Performance Rights on listing on the ASX. They lapse if not exercised within the expiry date.

The Broker Options have an expiry date 4 years after issue and an exercise price of \$A0.25. The Class B Incentive Options have an expiry date 5 years after the issue date and an exercise price of \$A0.30. One-third of the Options vest on grant, one-third in 12 months and one-third in 24 months. The Bonus Options have an expiry date 4 years after issue and an exercise price of \$A0.25. The Performance Rights have a \$nil exercise price but are only exercisable if certain resource targets are met within 2 years for the Class A and 3 years for the Class B Rights.

in AUD	31 December 2021		30 June 2021	
	Exercise Price	Number	Exercise Price	Number
Broker options	\$A0.25	17,062,609	-	-
Class A Incentive options	\$A0.30	3,625,000	-	-
Class B Incentive options	\$A0.30	3,625,000	-	-
Bonus options	\$A0.25	2,500,000	-	-
Class A Performance Rights	nil	2,600,000	-	-
Class B Performance Rights	nil	2,600,000	-	-
Total Outstanding	\$A0.21	32,012,609	-	-

Share Based Payments Reserve

in USD	As at 31 December 2021	As at 30 June 2021
Balance as at 1 July 2021	-	-
Share options	1,881,664	-
Performance rights	825,336	-
Balance as at 31 December 2021	2,707,000	-

The fair value of the Share Options is measured using the Black Scholes model. The value of the options is based on a number of judgements and estimates including the share price, the timing of the exercise of the options and performance rights and that no dividends will be paid prior to their exercise.

The Class A and Class B Performance Rights entitle the holder to subscribe to one CDI of the Company upon exercise of a performance right, without any further payment. The Company measures the Class A and Class B Performance Rights at fair value. As of the measurement date, the Company classified the Performance Rights within Level 2 of the fair value hierarchy because there was no active quoted price for Besra's CDIs. The seven-day volume weighted average price upon listing was used as a reasonable estimate for the value of Besra's CDIs as of the measurement date.

11. Finance costs recovered

in USD	Six Months to 31 December	
	2021	2020
Interest on borrowings and notes recovered (charged)	888,021	(34,372)
Borrowing (costs)	(462,780)	145,254
Total finance costs recovered	425,241	110,882

The recovery of Interest on borrowings arises from accruals made to 30 June 2021 on certain term debt instruments which were not incurred in the conversion of liabilities to CDIs at 29 September 2021.

12. Earnings Per Share

in USD	Six Months to 31 December	
	2021	2020
Basic profit (loss) per share attributable to Equity Owners:		
Profit (Loss) for the period	(4,414,691)	(2,320,395)
Weighted average number of common shares outstanding	253,220,844	253,220,844
	(0.017)	(0.009)

Basic earnings per share is calculated by dividing the net profit (loss) for each reporting period attributable to the equity owners of Besra by the weighted average number of common shares outstanding for the period.

Diluted earnings per share is based on basic earnings per share adjusted for the potential dilution if shares held in escrow are transferred and warrants are exercised. For a loss, the increase in the number of shares from conversion of convertible debt is anti-dilutive as they would decrease the earnings per share attributable to equity owners.

13. Related Party Disclosure

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

Key Management

in USD	Six Months to 31 December	
	2021	2020
Management fees and salary expense	278,069	278,125
Amount payable	-	1,218,487

14. Commitments, Contingencies and Contractual Obligations

Commitments and Contractual Obligations

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 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.

15. Financial Instruments & Risk Management

Risk Management

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

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

The risks listed arise from exposures that occur in the normal course of business and are managed by the Officers of the Company. Material risks are monitored and discussed with the Audit Committee of the Board of Directors.

Liquidity Risk

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

The tables below summarize the maturity profile of the Group's derivatives and financial liabilities including estimated interest.

As at 31 December 2021:

in USD	Within 1 Year	1-5 Years
Loans and other borrowings	243,628	114,619
Trade and other payables	947,518	-
Financial derivatives	1,191,146	114,619
	-	-
Total	1,191,146	114,619

As at 30 June 2021:

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

Commodity Price Risk

The performance of the Group is partially related to the market commodity price of gold.

In assessing the carrying values of the assets and liabilities, the effect of changes in the commodity price for gold was considered, where applicable, and reflected accordingly in the balances shown in the Consolidated Statement of Financial Position of the Group.

The Group does not have current operations producing gold, and therefore does not actively engage in any hedging of Commodity Price Risk.

Foreign Exchange Risk

The Group operates in Canada, Malaysia, Australia and to limited extent in New Zealand.

The functional and reporting currency of the parent company is the US dollar. The functional currency of significant subsidiaries is also US dollars. The subsidiaries transact in a variety of currencies but primarily in the US dollar, Canadian dollar, New Zealand dollar and Malaysian ringgit.

The most significant transaction exposure arises in the ultimate parent Company in Canada.

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

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

At present, the Group does not hedge foreign currency transaction or translation exposures, but the Board will consider this when appropriate.

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the cash and receivables. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

No financial assets of the Group are considered past due or impaired.

Interest rate risk

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

16. Events After the Reporting Date

On 17 February 2022 Besra released the results of the assays for the drill holes JUDDH 82 to 85. Refer to the review of operations for further details.

Directors' Declaration**Financial Report Half year ended 31 December 2021**

In the opinion of the Directors of Besra Gold Inc.:

The half year financial statements and notes of Besra Gold Inc;

- i. Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- ii. Complying with International Accounting Standard IAS 34 Interim Financial Reporting;
- iii. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Andrew Worland
Chairman
15 March 2022

Independent Auditor's Review Report

To the Members of Besra Gold Inc

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Besra Gold Inc (the Group), which comprises of the condensed statement of financial position as at 31 December 2021, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Besra Gold Inc does not:

- a) give a true and fair view of the Besra Gold Inc financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) comply with International Accounting Standard IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$4,407,434 during the half year ended 31 December 2021 and, as of that date, the Group reported operating and investing net cash outflows of \$3,189,266. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with IAS 34 *Interim Financial Reporting* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

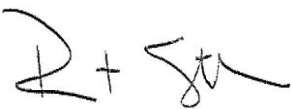
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report does not give a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 15 March 2022