



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

*For the 3 and 6 months ended 31 December 2024*

### **MD&A**

The following MD&A provides a narrative from Management's perspective of how Besra Gold Inc ("Besra" or the "**Company**") and its subsidiaries (collectively the ("**Group**") has performed during the three and six months ended 31 December 2024 ("**Reporting Period**"), including its financial condition and future prospects.

This MD&A both supplements and complements the Group's Condensed Interim Consolidated Financial Statements for the Reporting Period. All amounts quoted are denominated in United States dollars ("**USD**"), unless otherwise stated

This MD&A has been prepared by Management in compliance with the requirements of section 2.2.1 "Quarterly Highlights" of Form 51-102F1. It is current as at 31 December 2024 ("**Reporting Date**") and was approved on 3 March 2025 by the Audit Committee (and Board of Directors) of the Company.

### **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 and/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 "Risk Factors and Uncertainties".

These forward-looking statements are based on several 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 latest consolidated audited financial statements, those for the six months ended 31 December 2024 and notes thereto ("**Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("**IASB**"). The information provided herein supplements but does not form part of the financial statements. The Company's significant accounting policies are discussed in Note 3 of the annual audited Financial Statements for the financial year ended 30 June 2024.

This MD&A covers the 3 months and 6 months ending 31 December 2024, and the subsequent period up to the date of its issue. Additional information relating to the Group is available at [www.sedarplus.ca](http://www.sedarplus.ca). The Group has prepared this MD&A in conformity with the requirements of National Instrument 51-102F1 ("**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 is 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.

### ***Critical Accounting Estimates***

Significant accounting estimates may be found in Note 3 of the Company's audited Consolidated Financial Statements for the year ended 30 June 2024. In addition to a discussion of the policy and its adoption by the Company and its further analysis under "Significant Judgements, Estimates & Assumptions" in Note 3, additional discussion of certain of the policies which may be particular to the Company are noted below.

**Impairment of Exploration and Evaluation Assets:** Most costs incurred on its exploration and evaluation assets are capitalised. The Company considers evidence of impairment when reviewing the carrying value of its mineral properties. In the financial year ended 30 June 2024, the Company adopted the view that the individual mining licences should be evaluated separately versus a larger area-of-interest encompassing the entire Bau Project. The Company intends to continue to follow this practice.

**Gold Purchase Agreement (GPA):** Revenue will be recognised based on the reference price of the forward delivery contract. At that time, the portion of accreted deposit allocated to the gold delivery will no longer be recorded as a liability. As the delivery of gold does not have a fixed date, the Company estimates an anticipated delivery date based on its current development plans and future funding, both of which are difficult to predict with certainty. If assumptions as to delivery times change and as new contracts may be established for future deliveries, the amount of periodic accretion and the balance of the Contract Liability account will be affected. Current contracts are for delivery of 274,449 ounces of gold out of a possible maximum 3 million as contemplated in the GPA. As the contract liabilities on the balance sheet are not subjected to fair market value revision so long as the Company anticipates delivery of gold to settle the Contracts, the Company discloses the fair value in its notes to the financial statements, based on observable market prices for an ounce of gold.

### ***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 Chess Depository Interests (“CDIs”) commenced trading on ASX on 8 October 2021 (“**Listing**”).

### ***Bau Gold Project***

Besra is in a consortium with a Malaysian Group with Bumiputra<sup>1</sup> 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 key interests in mining tenements are all located within the Federation of Malaysia within the State of Sarawak which is located on the Island of Borneo. The Bau Gold Project has identified JORC (2012) Resources across a number of discrete deposits. The Bau Gold Project contains a combined JORC 2012 compliant Resource, on a 100% basis, of Measured 3.4 Mt @ 1.5g/t Au for 166.9 koz, Indicated 16.4 Mt @1.57 g/t Au for 824.8koz and Inferred 45.3 Mt @ 1.29 g/t Au for 1,855 koz<sup>2</sup>. In addition, the Project has a global Exploration Target ranging between 4.9 Moz and 9.3 Moz (on a 100% basis)<sup>3</sup>.

As at the Reporting Date, Besra has a 98.5% interest (93.5% equity adjusted interest) in the Bau Gold Project (Figure 1).

### ***Key Personnel***

During the Reporting Period there was a change in the composition of the Company’s Board as follows:

- 6 September 2024, appointment of Michael Higginson as a Non-Executive Director.

On 13 December 2024, the Company announced a succession plan, noting that Dato Lim intended to step-aside as Chair of the Company following the appointment of an experienced and independent mining executive in the crucial role of Non-Executive Chair.

During the Reporting Period the following changes in senior management were made:

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<sup>1</sup> Bumiputra is a term used in Malaysia to describe Malays, the Orang Asli of Peninsular Malaysia, and various indigenous peoples of East Malaysia.

<sup>2</sup> This is based on a reduction in the JORC (2012) Resource Inventory recognised following expiry of ML/03/2012/1D and ML 1D/136/ML/2008 (ML 136).

<sup>3</sup> 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. Also Refer Appendix 5B, ASX Release dated 30 January 2023.

- Announcement on 1 August 2024 of the intended appointment of Mr Matthew Antill as Managing Director of Besra's operating subsidiary, North Borneo Gold Sdn Bhd and on 17 October 2024 the Company announcement that Mr Antill had commenced his employment.
- 15 August 2024, appointment of Renee Minchin as the Company's Chief Financial Officer.

Following the appointment of Matthew Antill, as Managing Director of NBG, and the renewal of the Company's key mining lease, further appointments are anticipated during the coming months as the Company ramps up its senior engineering and metallurgical management at Bau.

Subsequent to the end of the Reporting Period, the Company announced on 14 February 2025 that Mr Dato' Lim had agreed to step aside as Chair of Besra and Mr Jon Morda was appointed as interim Chair of the Company.

On 25 February 2025, the Besra announced that it had resolved to call a special meeting of shareholders for the purpose of removing Dato' Lim as a Director of the Company. Messrs Morda, Lee and Higginson have confirmed that will willingly step aside as Directors, subject to the securing of suitably qualified and experienced directors.

### ***Property Description & Location***

Besra's Bau Gold Project is located 30km-40km from Kuching, the capital city of the State of Sarawak. The Bau Gold Project area is centred around the township of Bau. Besra's activities during the Reporting Period focused entirely on this project area.

The capital city of Sarawak, Kuching, lies approximately 30-40km to the north of the Bau Gold Project area. Kuching is a modern and well-developed city, serving as the seat of the State Government. Kuching boasts an international airport, deep-water port facilities and a population of approximately 640,000 residents. Bau is the local service centre and important source for skilled labour and services, including IT, heavy earth moving contractors, accommodation, general supplies and other services. The main industries in the Bau district are limestone quarrying, fish farming, rice farming, palm oil and rubber production. With a population of 6,000 people Bau's main ethnic groupings are Bidayuh, from the Dyak ethnic group, and Chinese who are mainly descendants of early miners who arrived in the mid to late 19<sup>th</sup> Century to exploit the mercury, antimony and later gold deposits of the Bau region.

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 of virgin vegetation to make way for agriculture and historical gold mining pursuits. Limestone quarrying is a major contributor to the local community and there remains a strong recognition that mining operations are, and can become, a greater source of employment, particularly since the closure of the last operating gold mine, at Tai Parit, in 1996.

The State Government of Sarawak's environmental standards, primarily administered through the Natural Resources & Environment Board, are consistent with those of most developing economies. Since the lifting of restrictions associated with the covid-19 pandemic, the State Government has put in place a development strategy involving six key economic drivers including the mining sector. An overarching principle of this strategy is the adoption of sustainable environmental practices, in line with government and community expectations. This is fully acknowledged and supported by Besra through implementation of its own Environmental, Social & Governance practices.

With its proximity to the Bau township and 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 central 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;
- Less than 1 hour drive from Kuching on all weather sealed roads;
- The 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;
- 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.

### **Intercorporate Relationships**

Besra controls five entities (“subsidiaries”), these subsidiaries forming the Group being:

- Fort Street Administration Limited (formerly Besra NZ Limited);
- Bau Mining Co Ltd;
- North Borneo Gold Sdn Bhd (“NBG”);
- Besra Labuan Ltd; and
- Besra Gold Australia Pty Ltd.

### **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. Figure 1 illustrates the relative ownership interests in NBG.



Figure 1 – Illustrative representation of corporate structure.

### **Development & Resource Delineation**

During the six months ending 31 December 2024, Besra’s development and resource delineation activities were focused on the Jugan Project located within the Bau Gold Project.

### **Jugan Project**

The Jugan Project is located approximately 6 km NE of the Bau township. Gold is associated with sulphide (refractory) mineralisation within the shale dominated lithologies of the Pedawan Formation, locally outcropping as a topographic high at Jugan Hill.

Previous drilling has formed the basis of the current JORC Resource at Jugan<sup>4</sup> which comprises:

- Measured + Indicated Resource of 870,000 Oz at 1.5 g/t Au;
- Inferred Resource of 90,000 Oz at 1.6 g/t Au; and
- Additional Exploration Target<sup>3</sup>, of 2.0 – 3.2 Moz at 1.8 – 2.5 g/t Au.

### ***Renewal of ML 05/2012/1D***

Application for the renewal of ML 05/2012/1D lodged in May 2024, which is central to the Jugan Project, remains pending. During the six months of the Reporting Period the Company provided presentations to key decision-makers in the Malaysian Government. Feed-back was positive, and although it was anticipated that the renewal application would be included on the State Minerals & Mining Authority's (SMMA) meeting agenda in late December, that meeting was postponed to an as yet unknown future date. Whilst a final decision on the renewal application has not yet been received, Bersa remains confident that its considerable ongoing efforts will be duly rewarded.

Given the extended Chinese New Year holiday season and that the SMMA only meets on an ad hoc basis, a decision on renewal may not be made before the end of March 2025. Nevertheless, the Minerals Ordinance provides that mining leases subject to renewal, continue until a determination is made, even if beyond the nominal expiry date.

This renewal is the first "heavy mining" ML considered by the Sarawak authorities for some time, who deal primarily with quarry scale activities. Accordingly, the timetable for renewal is not as predictable as counterpart applications made in, for example, Australian and Canadian jurisdictions. The pace of ongoing development at the Bau Project has been impacted by the delay in ML renewals.

### ***Development Strategy Update***

Subsequent to the appointment of mining engineering specialist, Matthew Antill appointed in October 2024 as the Jugan Project Leader, Jugan's development strategy has and continues to be actively reviewed in order to best achieve the Company's objectives, whilst balancing economic potential and sustainability priorities.

### ***Underground Mine Component***

As highlighted in the 2024 Annual General and Special Meeting presentation (ASX December 20, 2024, "*Bau Project Presentation*"), adopting a significant underground mining component into future commercial-scale mine design at Bau, potentially marks a transformational shift. Historically, the commercial development of Jugan was based exclusively on an open-pit operation; the 2013 Feasibility Study focusing on a primary pit at Jugan, supplemented by feedstock from the existing Bukit Young pit (located near Bau) during later stages of the life-of-mine.

Importantly, several factors have emerged which support the reassessment of a combined of open-pit and underground extension. These include increasing competing land-use challenges, heightened environmental considerations, increasing gold prices and a better understanding of the mineralised body following additional infill drilling conducted since 2021.

Compared with an open-pit concept, the hybrid mine design provides several significant potential advantages:

- Smaller, open pit footprint at the surface, focused on the topographically higher elevation Jugan Hill, substantially reducing the risk of pit inundation during extreme weather events.
- Underground extraction reduces the strip-ratio, waste-rock extraction and facilitates access to deeper

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<sup>4</sup> Besra Amended Prospectus, 2021, Attachment H Independent Technical Assessment Report, p.53.

mineralisation, not otherwise economically accessible via open cut means.

- Provides potential for “green” based extraction, especially if the rock properties are amenable to shearing or continuous mining, rather than drill and blast.
- Underground stopes can be infilled into the empty stope spaces to provide not only overall mine stability but a permanent repository for tailings.
- Enhanced life of mine through ability to subsequently recover pillars.
- Reduction in surface tailings and storage areas, reducing overall land access and acquisition costs.

It is intended that a Study Manager for the Bankable Feasibility Study will be selected during the March 2025 quarter.

### ***Mineable Resource Estimates***

Essential to the selection of an ultimate mine design is accurate assessment of Jugan’s mineable Resources. The assumption of an underground component radically diverges from that used in the 2013 Feasibility Study. Additionally, infill drilling results acquired since then will need to be incorporated into revisions of mineable Resources, and ultimately Reserve, estimations.

In December 2024, Widenbar and Associates Pty Ltd of Perth, were commissioned by North Borneo Gold (NBG) to review the Jugan Resource estimates, including considering the impacts of:

- Splitting the Jugan resource into two components – Surface Resource and Underground Resource;
- Constraining the open pit resource shell by assuming a pit crest limit based on acquisition of limited land lots and gazetted road positions; and
- Introducing an underground component, compared to an exclusive open-pit design.

Work in progress, suggest that these guidelines can be incorporated into a revised mine design concept that will substantially reduce the depth requirements of the open-pit (and therefore the overall surface footprint) and increase the likely estimations of the mineable resources.

Widenbar and Associates Pty Ltd is being considered to provide a Jugan Resource update planned for release in March 2025.

For the Reporting Period, no drilling was undertaken outside of Jugan. As such, the planned resource update will be restricted to the Jugan area only. Overall contained metal at Jugan is not expected to vary significantly given that the drilling has mostly been infill, for which the results may have impact on the resource classification categories between measured, indicated and inferred.

### ***Metallurgy***

The drilling of two deep drillholes (JUMT-01 and JUMT-02) commenced during the December Quarter of the Reporting Period. This drilling will provide essentially continuous, plunge orientated continuous representative sample of core to a vertical depth equivalent of approximately 300 metres for metallurgical test work. The drill holes are designed to continuously intercept the deposit down dip and within the mineralised zone for a length of up to 350 metres.

Once completed, up to 4 tonne of representative samples will be forwarded to ALS Metallurgical Pty Ltd in Perth to commence analyses to be used in the planned feasibility study including, but not limited to, quantitative evaluation of minerals by scanning electron microscopy (QEMSCAN) and various test work involving comminution trials, flotation, pressure oxide leach (POX) and carbon in leach (CIL) trials on flotation tails and POX residue.



## **Geotechnical**

A program of 6 holes was prepared and drilling commenced on the first hole JUDDH-128 during the December Quarter of the Reporting Period, following the mobilisation of a second drill rig to the Jugan site. Unlike the metallurgical drill holes, the geotechnical drill holes are specifically designed to traverse the mineralised body and the surrounding host rock. This approach enables essential geotechnical data on rock characteristics to be obtained, not only within the mineralised body itself but also the surrounding waste rock, including the footwall and hanging wall environments.

This drilling is required to provide both geotechnical information and waste rock characterisation for use in feasibility level designs of open pit and underground developments and includes detailed evaluation of the rock mass to characterise mechanical properties, including strength, deformability, fracture patterns and fracture density. These assessments, along with an analysis of other geological attributes such as faults and fractures, are critical for informing the design of open pit wall angles as well as underground openings, stopes, pillars and ground support systems.

Because of its specialised nature, a core specialist from MineGeo Tech provided two-weeks training to the Company's site geologists during December 2024 to assist in ensuring correct procedures for logging and preserving core specimens, prior to shipment to specialist consultants in Australia.

## **Hydrogeological**

A drilling program has been designed to include several deep bores for groundwater studies, complementing the shallower investigations conducted, as part of the Jugan Environmental Impact Assessment in 2022, by Chemsain Konsultants. This program, which is expected to commence during the June 2025 quarter, will entail drilling vertical, fully cased and gravel-packed dewatering bores to depths of 150 to 200 metres. These bores will facilitate drawdown testing to assess the feasibility of both open-pit and underground mining operations. The collected data will provide critical insights into the impact of mining activities on subterranean water movement, supporting the planning and optimisation of both mining components.

## **Tailings**

In addition to the Dry Stack Tailings Facilities methodologies, which will be trialled during operations at the Jugan Pilot Plant once commissioned, the incorporation of underground mining introduces an additional degree of optionality for tailings treatment. Of these, backfilling the underground stopes with disused tailings, rather than having to utilise large surface traditional tailings dams in an open pit environment, provides a range of compelling benefits. The mixture of tailings slurry and fixing additives can provide a cemented hydraulic fill (**CHF**) or paste fill. By infilling the stopes, remaining pillars can then be exploited and recovered.

Underground tailings disposal can greatly alleviate water usage, risk of dam failures, environmental seepage, and human contact making it a far more sustainable and safer process than surface tailings management practices. From a commercial standpoint access to pillars, as a result of backfilling the stopes, can assist increasing recovery rates, enhancing ore reserves and the overall life of mine.

Core retrieved from hole JUDDH-126 will be used as a source for emulated tailings, for initial paste fill/CHF fill test work by consultants in Newcastle, New South Wales. A composite sample of 200kg representative of the mineralisation was despatched during January 2025.



## OTHER STUDIES

### *Environmental, Social and Governance*

In addition to the potential major benefits in respect of a reduced land footprint and the secure disposal of potentially contaminated tailings underground, the Company intends to action a number of other studies, dependent on the results of those outlined above. In anticipation of this, initial scoping was undertaken concerning:

- Green power access to the grid - Sarawak Energy Berhad which has already over 3,300 MW of hydroelectric power as part of its Sarawak Corridor of Renewable Energy; and
- Underground use of mechanised shearing or continuous mining, instead of traditional drill-and-blast techniques.

### *In-Fill Drilling*

During the December Quarter of the Reporting Period 8 holes were completed or commenced including metallurgical and geotechnical holes, for a total of 1,170m. The infill drilling program is aimed at increasing the overall JORC 2012 compliant Resources inventory, as well as those proportions classifiable as Measured or Indicated. The updated Resource inventory will be used to estimate Mineable Resources and Reserves.

Upon completion of the drilling and receipt of all assay results, the data will be incorporated into an updated Mineable Resource estimation as part of the Bankable Feasibility Study.

## PILOT PLANT ACTIVITIES

### *Sterilisation Drilling*

During the December Quarter of the Reporting Period five sterilisation holes were completed for a total of 259m. Each were vertical holes drilled to a total depth of approximately 50m, designed to confirm that there was no mineralisation in areas where access may be inhibited as a result of future surface infrastructure development.

### *Construction Schedule*

During the December Quarter, KTA Engineering prioritised the closing out of all remaining issues impacting on the call for tenders for the Earthworks and Process Plant & Site Facilities packages. These issues have chiefly entailed:

- Finalisation of the design specifications for the Dry Stack Tailings Facility.
- Finalisation of the erosion and sedimentation control plan for technical assessment by the Department of Irrigation and Drainage and approval by the Natural Resources and Environment Board.
- Comprehensive review that all design specifications are in accordance with Malaysian codes, particularly those specifications provided by the Chinese processing equipment manufacturer, Yantai.
- Comprehensive review of the key milestone timetable and interdependence of each to ensure that critical path issues have been identified.

Tenders for the Earthworks Package were distributed during December 2024 to three entities that previously satisfied the pre-tender selection process undertaken by KTA.

Tenders for the Pilot Process Plant and Site Facilities Package are being finalised and will be distributed to qualified contractors during the March 2025 Quarter.

### ***Metallurgical and Processing Studies***

Throughout the Reporting Period SGS continued to carry out bio-oxidation test work on Jugan concentrate samples at its South African facilities. Coincidentally SGS South Africa also undertook some test work as part of the 2013 Jugan Feasibility Studies.

The results to date indicate

- The bacterial adaptations, build up and bio oxidation tests worked very well for all flotation concentrates, yielding gold extraction potentials of up to 95 % for the high grade concentrates and up to 92 % for the low grade concentrates in cyanidation.
- The ferric arsenate precipitates obtained by neutralisation of the Bio-Oxidation solutions produced after a three stage counter current washing decantation of the Bio-Oxidation residues, meet the USA Environmental Protection Agency requirements for disposal in a tailings pond.

### ***Upskilling in Readiness for Processing***

To ensure seamless operation of the Jugan Pilot Plant, which requires a highly skilled workforce, plans are underway to prevent any operational delays by addressing on-site skill-set requirements well in advance of commissioning. NBG has made, or is in the process of finalising, arrangements to establish a skilled team capable of constructing, commissioning- and operating the pilot plant from day one. This includes actions to train new employees under extended experienced professional supervision, to ensure that the plant operates efficiently and meets the Company's objectives.

- Shenyang Florrea Chemicals Co. Ltd. ("Florrea"), currently conducting extensive reagent flotation studies of the Jugan concentrate, at its Indonesian facilities provided a proposal in December 2024 for a training program for new NBG plant operators. The program is designed to upskill NBG personnel through staged training under the supervision of Florrea's experienced operators and senior metallurgists. Florrea will initially manage the plant's operation for approximately six months following commissioning, ensuring smooth transition and optimal performance during this critical period.
- SGS, through its Port Klang facilities, will provide on-site sample preparation services, including drying, crushing, screening, dividing, and pulverizing samples before delivery to the analytical lab. Both pilot plant and exploration drill hole samples will be processed, in compliance with certified requirements. Additionally, SGS will supply containerised laboratory assaying equipment, including fire assay facilities for gold analysis.
- Intertek will deploy experienced chemists and technicians to operate the in-house laboratory equipment at the Jugan Pilot Plant, adhering to the quality standards of Intertek's Jakarta Lab, which currently processes NBG's exploration core samples. Intertek's responsibilities will include conducting mineral analyses and performing gold fire assays. This collaboration is expected to significantly reduce the turnaround time currently experienced with off-site international sampling and assaying.
- MSI Technologies (Malaysia) Sdn Bhd provided training for NBG's Chief Chemist to complete the necessary accreditation to operate the X-ray fluorescence instrumentation. This will be used in calibrating detailed laboratory analysis for purposes of quality control and rapid turn-around of results.

- Yantai, the manufacturer of the processing equipment, will provide fabrication and mechanical technicians to oversee the construction and installation of the pilot plant processing equipment into its purpose built on-site housing. This equipment, currently stored in 20 shipping containers at Bau, will be assembled and commissioned under KTA and Yantai's supervision to ensure the plant is constructed to the design specifications.

These coordinated efforts and partnerships will ensure, to the maximum extent possible, that the Jugan Pilot Plant is operational from day one, with a skilled workforce capable of achieving the Company's objectives efficiently and safely.

### ***Reagent Trials***

Florea continued specialist processing trials to determine appropriate types and quantities of reagents best suited to flotation separation of Jugan's refractory ores. Reagents are used to preferentially enhance and/or suppress target compounds. Using combinations of reagents known for their frothing and collecting capabilities, the trials will help determine the optimal reagent regimes for efficient separation and recovery of Jugan's gold bearing sulphides.

Further combinations of reagents have been suggested following initial trials and the scope broadened to include aeration studies of the flotation cells. Properly designed air aspiration could prove to be the optimum process, subject to strict management of reagents and pulp level.

### ***Beneficiation***

The beneficiation strategy for Jugan has also been reconsidered. Initially, the plan was to produce a concentrate, however, with higher gold prices, this is no longer the preferred option. Producing concentrate has several drawbacks, including lower metallurgical recovery, reduced payability due to smelter penalties for impurities like arsenic and logistical challenges associated with transporting bulk material. Instead, alternative pathways for processing the high-sulphide (refractory) ore are being explored, focusing on methods such as pressure oxidation (POX), bio-oxidation, or Albion production, which align with the project's goals of improving recovery rates and reducing downstream penalties.

### ***Bio-oxidation Leaching Trials***

During the Reporting Period bio-oxidation trials continued on Jugan concentrate samples sent to SGS-Metro South African facilities. An interim report on initial trial results received during the Reporting Period were encouraging with all samples amenable to bio-oxidation. The rates of sulphide oxidation, following bio-oxidation pre-treatment, were of the order of 97-98%. Leaching of the Bio-Oxidation residues showed that the gold dissolution can be increased to 96% -98% compared to direct cyanidation of the same concentrate samples, not subject to oxidation, yielding gold dissolution of 9%-16%.

Bio-Oxidation is one of the possible processes for oxidising the Jugan concentrate. This method relies on microorganisms to oxidise the concentrate and is environmentally more friendly than other options. SGS-Metso has world patents on bio-oxidation leaching and a working knowledge of Jugan's refractory ore characteristics.

A component of the metallurgical studies will be assigned to consideration of BIOX, or alternative processes to ascertain the efficacy of producing a doré on site, as opposed to a gold concentrate.

In the current environment of higher gold commodity prices, contracting smelter competition, elevated environmental concerns, including bulk transportation of concentrate and government aspirations to have local jurisdictional smelting capabilities, each of the key processes for beneficiating refractory ore products to doré will be evaluated as part of the overall Bankable Feasibility Study.

## BEKAJANG PROJECT AREA

The Bekajang Project lies along a very prospective trend that includes two historical gold mines. The Bukit Young Gold pit was mined until September 1992 and according to mine records, produced some 440,926 tonnes at a grade of 4.51 g/t Au. The nearby Tai Parit mine recorded production of some 700,000 oz of gold, of which approximately 213,000 oz @ 7 g/t was produced between 1991 and 1997 by Bukit Young Gold Mine Sdn Bhd, the last commercial operator in the region.

Historical drilling associated with the development of these mines and subsequent drilling along trend provided the basis for a substantial JORC 2012 compliant Resource inventory at Bekajang, comprising <sup>5</sup>:

- A Measured and Indicated Resource totalling 120.4 koz @ 2.0 g/t Au;
- An Inferred Resource of 524 koz @ 1.5 g/t Au; and
- An additional Exploration Target<sup>6</sup> of 0.50 – 0.80 Moz @ 2.0 – 3.0 g/t Au, respectively.

The Company's focus is on three contiguous mining leases (MLs) comprising the Bekajang Project Area (1D/134/ML/2008, ML 01/2012/1D, and ML 02/2012/1D) which are part of the Bau Goldfield corridor Joint Venture operated by NBG.

During the six month Reporting Period a number of qualified contractors inspected the Bekajang tailings site as part of formulating a solution to long term seepage of untreated tailings dam water into identified surrounding surface discharge systems. The site is structurally secure, however, the seepage of retained waters into neighbouring discharge systems has been a very long-term issue that the Company seeks to resolve from an ESG viewpoint.

During the Reporting Period a Envisar Sdn Bhd, environmental consultants, was also received. This report was based on extensive water and soil quality analyses within the Bekajang Project Area, including the Bekajang tailings waters. The Envisar Report included the following recommendations:

- Regular Monitoring: Establish a monitoring network to track soil and water quality changes throughout the mining period;
- Preventative Measures: Implement measures to control runoff and reduce the potential spread of contaminants, especially during the wet season; and
- Community Safety: Inform and involve local residents in environmental monitoring to address any concerns about contamination risks.

Bekajang Project Area Mining Lease renewals remain before the authorities, it being indicated by decision makers that the Jugan Mining Lease is to be firstly prioritised, before consideration of other concession renewals.

## FUTURE ACTIVITIES

With strong cash reserves and multiple studies underway, the Company is poised for significant progress in its Jugan Bankable Feasibility Study, including the planned construction of the Jugan Pilot Plant in 2025.

A key focus during the March 2025 Quarter will be the potential transformational shift to a hybrid open-pit and underground mine design as a viable option for future commercial development of Jugan. Studies of

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<sup>5</sup> Refer to the Company's Prospectus dated 8 July 2021 – Section 3.11.

<sup>6</sup> The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the production target itself will be realised.

metallurgical, geotechnical, groundwater and mineable resource estimations will continue during the current quarter.

Following renewal of ML 05/2012/1D and the subsequent approval of the operational mining scheme (currently expected to be received during the March Quarter), construction activities will commence with civil and structural earthworks, paving the way for the above-surface construction of the Jugan Pilot Plant. Civil engineering tenders have been issued to three pre-selected contractors. In parallel, further metallurgical testing will be conducted including trial tests on concentrate to ascertain the optimal processing regime in order to produce a doré product on site.

Strategies to acquire land access for future commercial development also will be actioned during the March 2025 Quarter.

## **Corporate**

### **Overall Highlights**

As at 31 December 2024, the Group had cash on hand of US\$14.37m (2023: US\$21.44m) and working capital surplus of US\$14.34m (2023: US\$30.54m).

Corporate activities during the Reporting Period included the following:

- Appointment of Michael Higginson as Non-Executive Director on 6 September 2024;
- Appointment of Renee Minchin as Chief Financial Officer on 15 August 2024;
- Announcement on 1 August 2024 of the intended appointment of Matthew Antill, mine development specialist, as Managing Director Besra's Malaysian operating subsidiary, North Borneo Gold Sdn Bhd (**NBG**);
- As announced on 27 September 2024, the commencement of Legal Proceedings against Besra and other defendants in the Superior Court of Justice (Ontario);
- On 17 October 2024 the Company announced that Mr Matthew Antill had commenced as Managing Director of NBG, where he will head the mining and development team;
- On 23 October 2024 the Company announced the appointment of Canadian Lawyers, it being subsequently noted on 27 December 2024 that the Legal Proceedings against two of the defendants had been discontinued.
- On 13 December 2024 the Company announced a succession plan, noting that Dato Lim intended to step-aside as Chair of the Company following the appointment of an experienced and independent mining executive in the crucial role of Non-Executive Chair.
- On 20 December 2024 the Annual General Meeting was held (Sydney time) at which all seven including resolutions were approved by the requisite majority of votes cast at the meeting.

### **Financial Results for the three and six months ended 31 December 2024**

The Group recorded a total comprehensive loss for the 3 months ended 31 December 2024 of \$17,856,321 (2023: \$9,064,727) up by 97%, and for 6 months \$20,615,159 (2023: \$9,995,280), up by 106%.

The difference for each period can be attributed to the impairment expense of \$14,805,681 (2023: \$2,967,582) for 3 and 6 month periods, and the accretion expense of (for 3 months) \$2,020,585 (2023: 1,052,283), and (for 6 months) \$3,895,691 (2023: \$1,144,239). In addition, corporate development costs of US\$600,000 were recorded during the 6 month period (2023: nil).

The Company recorded an accretion of the financial discount associated with its Gold Purchase Agreement, \$2,020,585 and \$3,897,132 for the 3 and 6 month periods, respectively, such accretion to continue for each

individual gold purchase contract until such time as the financial discount is fully accreted or the contract is settled by way of gold delivery.

An impairment charge was recorded based on costs incurred as a consequence of a delay in renewing certain mineral leases, which expired while in the process of being renewed (see Note 10 of the financial statements). The directors will reassess the provision of impairment made to the Company's mining licenses when the impairment indicator is no longer present. Accordingly, should the expired mining licenses subject to renewal that were impaired during the Reporting Period all be renewed, then an impairment amount of \$13,334,447 could be reversed.

### **Corporate and Administrative Expenses**

in USD	3 Months to 31 December		6 months to 31 December	
	2024	2023	2024	2023
Professional & Consulting Fees	687,966	143,821	1,272,050	424,508
Management & Administration	86,705	42,298	155,535	100,911
Listing Costs	20,038	35,664	29,942	76,881
Fundraising Costs	-	8,210	-	15,377
Office & Facilities	30,381	52,725	65,301	114,142
Insurance	30,158	40,394	36,717	42,607
Directors Fees	117,939	130,748	219,131	303,741
	973,187	453,860	1,778,676	1,078,167

### **Superior Court of Justice (Ontario)**

On 27 September 2024, the Company announced the it had received a Statement of Claim in respect to the commencement of legal proceedings in the Superior Court of Justice (Ontario) against Besra along with 7 other defendants (including the directors of Besra) by Prana GP Limited (incorporated in Jersey), Talisman 37 Limited (incorporated in Jersey) and Concept Capital Management Ltd (incorporated in the Marshall Islands). On 27 December 2024, the Company announced that "The plaintiffs wholly discontinue this action against the defendants, Noblemen Ventures Pty Ltd and Wayne Johnson". Subsequently, on 28 January 2025, the Company released by way of further clarification, that this Notice of Discontinuance, related only to Noblemen Ventures and Wayne Johnson and that the legal proceedings remained on foot for the other Defendants; Besra, Quantum Metal Recovery Inc, Dato' Lim Khong Soon, Chang Loong Lee, Jon Morda and Michael Higginson.

The Company is not able at this time to assess an impact, if any, on its financial condition as a consequent of the legal proceedings.

### **Events after reporting date**

Other than those listed below, no other matters or circumstances have arisen since the end of the Reporting Period 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.

- On 14 February 2025, Dato Lim stepped aside as Chair of Besra. On the same date, Mr Jon Morda was appointed (on an interim basis) as the Company's Non-Executive Chair.
- On 25 February 2025, Besra advised, in accordance with Section 8.2 of the Company's By-Laws, that it had resolved to call a special meeting of shareholders of Besra for the purpose of removing Dato Lim Khong Soon as a director of the Company.

### **Board Composition**

On 6 September 2024, Mr Michael Higginson was appointed as Non-Executive Director. There were no other changes to the composition of the Board during the Reporting Period.

### **Securities on issue as at 31 December 2024**

Quoted Securities	Number
Chess Depository Interests 1:1	415,488,951
Unquoted Securities	Number
Options expiring 8 October 2025	4,642,275
Options expiring 29 September 2025	2,500,000
Options expiring 8 October 2026	7,250,000
Options expiring 1 December 2026	20,000,000
Options expiring 31 December 2026	5,000,000
Common Shares	2,611,955

### **Securities on issue as at 3 March 2025**

Quoted Securities	Number
Chess Depository Interests 1:1	415,488,951
Unquoted Securities	Number
Options expiring 8 October 2025	4,642,275
Options expiring 29 September 2025	2,500,000
Options expiring 8 October 2026	7,250,000
Options expiring 1 December 2026	20,000,000
Options expiring 31 December 2026 <sup>1</sup>	12,000,000 <sup>1</sup>
Common Shares	2,611,955

Note 1: On 3 January 2025, the Company granted 7,000,000 options to Mr Kenny Lee following the receipt of shareholder approval on 20 December 2024.

### **Bau Project Exploration and Evaluation Expenditure Detail**

	Six months ended December 2024
<b>Breakdown of capitalised expenditure</b>	
Assay	101,933
Drilling	306,377
Consulting	407,679
Salaries and wages	250,533
Supplies	88,388
Equip and transport	101,722
Permits and studies	164,303
	<u>1,420,935</u>



### **Summary of Assets & Liabilities Held**

As at 31 December 2024 total assets amounted to \$24,607,464 including its exploration and evaluation assets of \$9,306,544, being the Bau Gold Project. Total liabilities amounted to \$35,123,374, which includes contract liabilities of \$34,170,155.

The contract liabilities expense of \$34,170,155 will be satisfied by Besra in gold delivered pursuant to the Gold Purchase Agreement (ie not in cash) and such settlement to occur concurrently with the delivery to Besra in cash of the remaining 85% of the Reference Price, being some \$434,906,097.

### **Liquidity & Capital Resources**

As at 31 December 2024 the Group had cash on hand of \$14,365,325 (2023: \$21,440,272) and working capital surplus of \$14,335,661 (2023 a surplus of \$30,541,741). The majority of funds are held in the Company's functional currency, United States dollars.

Cash used in operating activities was \$2,225,474 for the 6 months to 31 December 2024 (2023: \$2,972,922). The investing cash expenditure for the 6 months of the Reporting Period was \$1,457,479, comprising \$36,543 for plant and equipment and \$1,420,936 on exploration and evaluation costs (2023: \$1,993,904) at Bau Gold Project. The Company has sufficient liquidity to meet its near-term objectives of advancing its Jugan project to feasibility and Pilot Plant commissioning.

During the Reporting Period no additional funds were raised (2023: US\$25,646,326 was raised pursuant to the Gold Purchase Agreement). The Company will have to raise additional funds to advance to commercial gold mining operations.

### **Related Party Disclosure**

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

Company Name	Jurisdiction	Ownership % 31 December 2024	Ownership % 31 December 2023
Fort Street Admin Ltd (formerly Besra NZ Ltd)	New Zealand	100.0	100.0
Bau Mining Co Ltd	Samoa	91.0	91.0
North Borneo Gold Sdn Bhd	Malaysia	98.5	98.5
Besra Labuan Ltd	Malaysia	100.0	100.0
Besra Gold Australia Pty Ltd	Australia	100.0	100.0

Related parties of the Group are considered to be Key Management and Directors.

Quantum Metals is also considered a related party.

### **Key Management and Directors**

in USD	3 months to December		6 months to December	
	2024	2023	2024	2023
Short term employee benefits	228,143	239,424	375,074	573,144
Post-employment benefits	9,838	4,974	14,887	9,948
Share based payments		174,951	-	174,951
Total	237,981	419,349	389,961	758,043

The related party transactions were incurred in the normal course of business and were measured at the exchange amount. Management contracts are renewable or may be terminated and represent an ongoing financial commitment.

There were no related party transactions with Quantum Metals during the period.

### Contractual Obligations and Commitments

Ounces of gold contracted for purchase by Quantum Metal Recovery Inc pursuant to the Gold Purchase Agreement are as set out below:

5% Deposit amount received	Number of ozs	US\$ price per oz
US\$2,000,000	20,331.51	1,967.39
US\$3,000,000	30,035.29	1,997.66
US\$10,000,000	109,639.81	1,824.00
US\$10,646,325.65	114,433	1,849.73
<b>Total</b> <b>US\$25,646,325.65</b>	<b>Total ozs</b> <b>274,439.61</b>	<b>Weighted average</b> <b>US\$1,864.36</b>

The Company has a five-year office lease commitment which is recorded as a “Lease liability” on the balance sheet. Payments of \$73,618 were recorded for the six-month period.

### Selected Annual Information

in USD	Year Ended 30 June 2024	Year Ended 30 June 2023	Year Ended 30 June 2022
Revenue	103,869	7,678	48
Profit (loss) & comprehensive profit (loss)	(13,573,693)	(1,152,362)	(3,984,227)
Comprehensive profit (loss) attributable to shareholders of the parent	(13,413,691)	(1,151,171)	(3,922,478)
Basic and Diluted profit (loss) per share	(0.032)	(0.003)	(0.018)
Total Assets	41,560,876	21,861,127	19,802,152
Total Liabilities	31,461,627	988,280	744,356
Total Equity	10,099,249	20,872,847	19,057,796

### Summary of Quarterly results

The following table sets out the selected quarterly financial information prepared in accordance with IFRS for the Group’s last eight quarters:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Profit (loss)	(17,856,321)	(2, 563,219)	(1,627,038)	(1,951,374)	(9,064,727)	(930,554)	(363,973)	(371,550)
Profit (Loss) per share	(0.041)	(0.006)	(0.004)	(0.005)	(0.021)	(0.002)	(0.001)	(0.001)

During the Reporting Period interest was received for deposits held.

Impairment charges that are incurred in a period may significantly affect the loss in a period.

Accretion charges on financial discount are significant in later periods and are expected to impact loss in subsequent periods until the discount is fully accreted.

### 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

### 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.

Year ended 30 June 2024, 31 December 2024 and as at 3 March 2025

in USD	Number of Common Shares and CDIs	Amount
Balance 1 July 2023	406,989,795	186,382,450
Issue of CDIs for share placement	11,111,111	2,104,044
Balance 30 June 2024 of Common Shares and CDIs	<b>418,100,906</b>	<b>188,486,494</b>
Balance 30 June 2024 of Common Shares	2,611,955	
Balance 30 June 2024 of CDIs	415,448,951	
<b>Balance 30 June 24, 31 September 24 and 3 March 2025 of Common Shares and CDIs</b>	<b>418,100,906</b>	

## 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 2024.

## 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 2024 and are consistent with those adopted for preparation of the Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 31 December 2023.

## Risk Factors and Uncertainties

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and policies. The nature of the Group's operations exposes it to a broad range of risks relating to financial risk, market risk, commodity risk, and geopolitical risk. No additional funds were received in accordance with the GPA during the Reporting Period. Whilst this agreement remains on foot it greatly reduces the reliance and uncertainty of relying upon future shareholder or third-party funding, such as through equity or project financing.

**Sovereign (Political) Risk:** The Group's mining concession interests are all located in Eastern 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 may not rely on western legal standards in defending or advancing its interests.

**Industry Risk:** The Group is engaged in the development 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.

**Commodity & Currency Exchange 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. In respect to the GPA there is built in risk management to prevent obligations to deliver gold to Quantum at a loss by virtue of a contractual floor price.

**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.

**Stock & Shareholder Risk:** The Group's stock price could be volatile. The market price of the Group's common shares, like that of the common shares of many other natural resource companies, has been and is likely to remain volatile. Results of exploration and mining activities, the price of gold and silver, 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 decline in the market price of the Group's common shares and results in the need to revalue derivative liabilities. 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 does not plan to pay any dividends in the foreseeable future. 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 or CDIs may be issued including pursuant to the Convertible Notes, stock options and warrants. If these shares are issued, this may result in further dilution to the Group's shareholders.

**Funding Risks:** The Company is a late-stage exploration and development company. The Company is a counterparty to a Gold Purchase Agreement that has provided significant capital to date. To achieve profitable production, the Company will be required to prepare a bankable feasibility study and obtain sufficient funding to develop and commercialise its properties.

***Approval of the MD&A***

This MD&A has been prepared by management and approved by the Board of Directors with an effective date of 3 March 2025.