BESRA GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2022 AND 30 JUNE 2021

(IN UNITED STATES DOLLARS)

BESRA GOLD INC.

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

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

REGISTERED OFFICE

67 Yonge St. Suite 701, Toronto
Ontario, Canada

PRINCIPAL PLACE OF BUSINESS

45 Ventnor Avenue, West Perth
Western Australia, Australia 6005
Email: info@besra.com
Web:
www.besra.com

AUDITOR

Grant Thornton Audit Pty Ltd
Level 43, Central Park 152-158 St Georges Terrace
Perth, WA 6000

SHARE REGISTRY

Computershare Share Registry
Level 11, 172 St Georges Terrace
Perth WA 6000, Australia

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd (“ASX”).

ASX Code: BEZ

CORPORATE STATEMENT

Substantial Share Holders

Rank	Name	CDIs	% Units
1	Colbern Fiduciary Nominees Pty Ltd	51,993,699	17.91
2	Pangaea Resources Limited	39,936,214	13.75
3	Quantum Metal Recovery Inc <E16858372021-3 A/c>	28,571,429	9.84

Place of Incorporation

Besra Gold Inc was incorporated under the laws of the Province of Ontario, Canada.

Takeover Provisions

Besra Gold Inc is not subject to chapters 6, A, 6B and 6C of the Corporations Act dealing with the acquisition of its shares (including substantial holdings and takeovers).

No Limitations

There are no limitations on the acquisition of securities imposed by Canadian laws or regulations.

There are no limitations on the acquisition of securities imposed under Besra Gold Inc's Articles of Association.

This statement is signed on behalf of the Directors by:

Andrew Worland
Non-Executive Chairman
30 September 2022

Auditor’s Independence Report

BESRA GOLD INC.

Consolidated Statement of Financial Position

in USD	Notes	As at 30 June 2022	As at 30 June 2021
ASSETS			
Current			
Cash and cash equivalents	4	865,336	11,146
Trade and other receivables	5	19,727	25,511
Prepaid expenses		3	7,486
		885,066	**44,143**
Non-current			
Property plant and equipment		639	14,235
Exploration & evaluation	6	18,916,447	17,506,422
		18,917,086	**17,520,657**
TOTAL ASSETS		**19,802,152**	**17,564,800**
LIABILITIES			
Current			
Trade and other payables	7	512,887	5,538,254
Derivative liability	9	-	21,778,785
Loans and borrowings	8	181,969	4,793,593
		694,856	**32,110,632**
Non-current			
Loans and borrowings	8	49,500	251,592
TOTAL LIABILITIES		**744,356**	**32,362,224**
NET ASSETS		**19,057,796**	**(14,797,424)**
EQUITY			
Issued capital	11	182,816,338	141,517,358
Reserves	13	1,318,617	-
Accumulated losses	16	(164,145,312)	(154,874,482)
		19,989,643	(13,357,124)
Non-controlling interest		(931,847)	(1,440,300)
TOTAL EQUITY		**19,057,796**	**(14,797,424)**

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

BESRA GOLD INC.

Consolidated Statement of Profit and Loss and Comprehensive Profit and Loss

in USD	Notes	Year ended 30 June 2022	Year ended 30 June 2021
Interest received		48	-
Gain of settlement of trade creditors	7	2,807,597	-
Corporate and administrative expense		(2,082,281)	(2,209,854)
Exploration		(30,076)	(63,719)
Depreciation and amortization		(13,596)	(18,364)
Finance costs	14	(219,249)	(700,408)
Derivative fair value revaluation	9	593,230	(10,322,324)
Loss on settlement of financial liabilities	8	(3,721,283)	-
Share based payments	13	(1,318,617)	-
LOSS BEFORE INCOME TAX		**(3,984,227)**	**(13,314,669)**
Income tax	10	-	-
LOSS FOR THE YEAR		**(3,984,227)**	**(13,314,669)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,984,227)**	**(13,314,669)**
Loss for the year attributable to:			
Shareholders of the parent		(3,922,478)	(13,299,477)
Non-controlling interests		(61,749)	(15,192)
Basic and diluted loss per share	15	(0.018)	(0.060)

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

BESRA GOLD INC.

Consolidated Statement of Cash Flows

in USD	Notes	Year Ended 30 June 2022	Year Ended 30 June 2021
OPERATING ACTIVITES			
Total Comprehensive Loss for the year		(3,984,227)	(13,314,669)
Items not affecting Cash			
Gain of settlement of trade creditors	7	(2,807,597)	-
Depreciation & amortization		13,596	18,364
Loss on settlement of financial liabilities	8	3,721,283	-
Finances costs		18,369	535,848
Foreign exchange adjustments		19,114	113,510
Derivative revaluation		(593,230)	10,322,324
Share based payments	13	1,318,617	-
Changes in non-cash working capital balances			
Trade and other receivables and other financial assets		13,267	2,635
Trade and other payables		(2,041,087)	(78,887)
Cash used in operating activities		**(4,321,895)**	**(2,400,875)**
INVESTING ACTIVITIES			
Exploration and evaluation costs		(1,249,713)	-
Cash used in investing activities		**(1,249,713)**	**-**
FINANCING ACTIVITIES			
Proceeds from issue of share capital	11	7,383,122	-
Proceeds from financing loan		398,948	2,430,761
Repayment of loans		(1,303,174)	(50,000)
Cash provided by financing activities		**6,478,896**	**2,380,761**
Increase in cash during the year		907,288	(20,114)
Cash - beginning of the year		**11,146**	**31,260**
Effect of exchange rate on cash		(53,098)	-
Cash - end of the year		**865,336**	**11,146**

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

BESRA GOLD INC.

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)	26,501,556
Share based payments	-	1,318,617	-	-	1,318,617
Acquisition of Minority interest	-	-	(5,348,352)	570,202	(4,778,150)
Total comprehensive loss for the year			(3,922,478)	(61,749)	(3,984,227)
Balance at 30 June 2022	**182,816,338**	**1,318,617**	**(164,145,312)**	**(931,847)**	**19,057,796**

Balance at 1 July 2020	**141,517,358**	**-**	**(141,575,005)**	**(1,425,108)**	**(1,482,755)**
Loss for the year	-	-	(13,299,477)	(15,192)	(13,314,669)
Total comprehensive loss for the year	-	-	(13,299,477)	(15,192)	(13,314,669)
Balance at 30 June 2021	**141,517,358**	**-**	**(154,874,482)**	**(1,440,300)**	**(14,797,424)**

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

1. Background and Nature of Business

During the financial year ended 30 June 2022, 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 30 June 2022 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

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board. These financial statements were authorized by the Directors of the Company on 30 September 2022.

Historical cost convention

The consolidated 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 consolidated 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 the consolidated 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.

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 30 June 2022 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.

Accounting Policies

Going Concern

These consolidated financial statements for the year ended 30 June 2022 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 year ended 30 June 2022, the Group made a loss of $3,984,227, had cash outflows from operating and investing activities of $5,571,608 and financing cash inflows of $6,478,896. At 30 June 2022, the Group's current assets exceeded its current liabilities by $190,210.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern but acknowledge that additional capital will be required to fund the exploration program and therefore it is appropriate to adopt the going concern basis in preparation of the financial statements. The aforementioned factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

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 financial report.

Foreign Currency Transactions and Balances
Foreign currency transactions are translated into the functional currency of the respective entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Exploration and Evaluation Expenditure
The recoverability of the carrying amount of exploration and evaluation expenditure carried forward has been reviewed by the Directors. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest. The Company reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Impairment of Exploration and Evaluation assets
The Directors review and evaluate the Group's exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The evaluation considers:

- the period of the right to explore, its expiry date and whether it is expected to be renewed;
- any substantive expenditure on further exploration or evaluation that is not budgeted or planned;
- whether any exploration has resulted in resources in a specific area not having commercially viable quantities of mineral resources and further activity will be discontinued in that area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount may exceed the recoverable amount, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units ('CGUs')). The Group's CGU is the Bau Gold Project..

Impairment losses are recognized as operating expenses in the period they are incurred. When an impairment loss reverses in a subsequent period, the carrying amount of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously.

Reversals of impairment losses are recognized in profit or loss with the Consolidated Statement of Profit or Loss and other comprehensive income in the period the reversals occur.

Share-based payments
The Company provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.
The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share

The Company provides benefits to employees of the Company in the form of Performance Rights. The Company values Performance Rights by reference to its best available estimate of the number of Performance Rights it expects to vest and revises that estimate, if necessary, if subsequent information indicates that the number of Performance Rights expected to vest differs from previous estimates. The Directors have determined that it is more likely than not that the milestones will be achieved.

The Company measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising a Black Scholes model, using the assumptions detailed in Note 12. The Company values Performance Rights by reference to its best available estimate of the number of Performance Rights it expects to vest and revises that estimate, if necessary, if subsequent information indicates that the number of Performance Rights expected to vest differs from previous estimates.

Goods and Services Tax (GST/VAT)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Financial Instruments Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

• amortised cost;

• fair value through profit or loss ('FVTPL'); or

• fair value through other comprehensive income ('FVOCI').

In the period presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

The Group's financial liabilities include derivative liabilities, borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability to be accounted for at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in consolidated statement of profit or loss.

All derivative financial instruments are accounted for at FVTPL and the change in fair value are presented in the Statement of Profit or Loss. All interest-related charges are included within finance charges.

Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within a three-level hierarchy, based on observability of significant inputs, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
Level 3: Unobservable inputs for the asset or liability. Inputs into the determination of the fair value require management judgment or estimation.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes to valuation methods may result in transfers into or out of an investment's assigned level.

Employee Entitlements

Liabilities are recognized for short-term employee entitlements, on an undiscounted basis, for services rendered by employees that remain unpaid at each reporting date in the Consolidated Statement of Financial Position.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

Current tax

Current tax for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the date of the Consolidated Statement of Financial Position and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax

Deferred tax is recognized using the liability method in respect of all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes, except as indicated below:

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

Ordinary Share Capital

Ordinary shares issued by the Company are recorded at the net proceeds received, which is the fair value of the consideration received less costs that are incurred in connection with the share issue.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss available to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated using the treasury method of calculating the weighted average number of common shares outstanding, except the if-converted method is used in assessing the dilution impact of convertible notes. The treasury method assumes that outstanding options and performance rights with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average price of the common shares for the period. The if-converted method assumes that all convertible notes have been converted in determining diluted earnings per share if they are in-the-money except where such conversion would be anti-dilutive.

Significant Judgements, Estimates & Assumptions

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, and provisions for restoration and environmental obligations.

The most significant judgements, estimates and assumptions used in the preparation of these consolidated financial statements include:
Judgements:

- Determination of functional currency of entities within the Group. Determining the appropriate functional currencies for each entity in the Group requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence financing, labour, materials, and other costs of providing goods or services.
- The convertible notes (refer note 7) issued by the Group are complex with varying features which could, depending on judgements applied, result in a number of possible accounting treatments based on the application of IFRS. The main judgement made in determining the accounting treatment for the convertible notes is whether the notes should be split into multiple elements (i.e. base loan, warrants or interest) with a different accounting treatment for each element or treated as a single instrument meeting the definition of a derivative.
- Determine whether the Company remains a going concern as set out in commentary on the Going Concern on page 21.

Estimates:

- Assessment of whether the exploration and evaluation intangible asset is impaired. The future recoverability of the exploration and evaluation asset is dependent on a number of key factors such as gold price and determination of reserves. As the Group is only in the exploration phase of operations the Directors valued it in accordance with IFRS 6.20: Evaluation of Mineral Resources.
- Fair value determination of financial instruments carried at fair value. Derivative financial instruments are recorded in the Consolidated Statement of Financial Position at values that are representative of or approximate their fair value. The fair value of derivatives requires application of the most appropriate valuation model which is dependent on the terms and conditions of the instrument.

  For the year ended 30 June 2021 the 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.

Basis of Consolidation

The 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 % 30 June 2022	Ownership % 30 Jun 2021
Fort Street Admin Ltd (formerly Besra 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	87.1
Besra Labuan Ltd	Malaysia	100.0	100.0
Besra Gold Australia Pty Ltd	Australia	100.0	-

During the year ended 30 June 2022 the Company increased its interest in NBG to 97.8% - refer note 6.

4. Cash and Cash Equivalents

in USD	Year Ended 30 June 2022	Year Ended 30 June 2021
Cash at bank	**865,336**	**11,146**

Cash and cash equivalents include cash on hand, deposits held at call and other short term highly liquid investments with maturities of three months or less. The Group's exposure to interest rate risk is set out in Note 20. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents set out above.

5. Trade and Other Receivables

in USD	Year Ended 30 June 2022	Year Ended 30 June 2021
Deposit	-	23,992
Taxes	7,210	1,519
Other	12,517	-
	19,727	**25,511**

Trade and other receivables are due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after balance date.

The Group's financial risk management objectives are set out in Note 20.

Due to their short-term nature theses of these receivables their carrying value is assumed to approximate their fair value.

6. Exploration & Evaluation

in USD	Year Ended 30 June 2022	Year Ended 30 June 2021
Opening Balance	17,506,422	17,506,422
Additions	1,410,025	-
Closing Balance	**18,916,447**	**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 Chess Depositary Interests ("CDIs") issued at $A0.20 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 from 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 $A4.0 million and Besra agreed to acquire 14,419 shares in NBG from Pangaea by issuing 20.0 million CDIs to Pangaea at $A0.20 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%. NBG was a controlled entity of the Group at the date of acquisition of the additional 10.7% equity. The financial impact was an increase in share capital by $4,778,150, an increase in accumulated losses of $5,348,352 and a decrease in non controlling interest of $570,202. The fair value of the share capital issued was 14.7 cents (20 cents Australian) per share which was equivalent to the Initial Public Offering share price.

Exploration and evaluation assets include the costs of acquiring rights and licences, costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset purchase.

The Group follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and charging all revenue received until production is achieved against the cost of related claims.

Costs incurred before Besra has obtained the legal rights to explore an area are recognized in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on sale of the respective areas of interest, or alternatively successful development and commercial exploitation.

Where a decision has been made to develop an exploration and evaluation asset or assets into a mining operation, the accumulated exploration and evaluations costs for the project would be reclassified as mining properties. Mining properties would be tested for impairment and the accumulated costs, subject to any impairment or revaluation, would then be amortised over the proven and probable reserves, or measured and indicated resources where the criteria to establish proven and probable reserves have not been met.

One or more of the following facts and circumstances are tested for the exploration and evaluation assets for impairment : (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management have determined that upon completion of the above test for impairment that no impairment of exploration assets is required.

Significant estimate and Judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Statement of Profit or Loss and Other Comprehensive Income, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation in accordance with the criteria set out in IFRS 6.20 : Exploration for and Evaluation of Mineral Resources.

7. Trade & Other Payables

in USD	As at 30 June 2022	As at 30 June 2021
Trade payables	400,532	1,338,243
Taxes and government fees	45,612	12,934
Accruals and other payables	66,743	4,187,077
Total	**512,887**	**5,538,254**

Upon Conditional Admission to the Australian Stock Exchange (ASX) $2,807,597 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 recorded as a gain on settlement in the profit and loss together with 532,457 CDIs issued in satisfaction of a further $1,740,000 of Trade and Other Payables at 30 June 2021.

The conversion of debt to equity was recognised at the fair value of CDI's issued by the company being the share price of the Initial Public Offering.

8. Loans and Borrowings

in USD	As at 30 June 2022	As at 30 June 2021
Current Liabilities		
Secured Bridge Notes	-	2,365,434
Other current indebtedness (unsecured)	181,969	2,428,159
	181,969	4,793,593
Non-current Liabilities		
Other current indebtedness (unsecured)	49,500	251,592
Total	**231,469**	**5,045,185**

Secured Bridge Notes

The Secured Bridge Notes with a value of $2,365,434 were converted to equity upon issue of 40,206,349 CDIs upon the ASX listing. The fair value of the equity issued was the share price on the Initial Public Offering. This resulted in a loss on settlement of financial liabilities 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 and have been repaid or settled during the current period:

- Clients of Novus Capital provided unsecured advances totalling approximately $986,197 to the Company for working capital purposes ('Novus Advances') and were converted to equity upon issue of 12,067,651 CDIs upon the ASX listing. The fair value of the equity issued was the share price on the Initial Public Offering. This resulted in a loss on settlement of financial liabilities of $1,064,075.
- The InCoR Services Loan was a fixed interest loan agreement of $C300,000, unsecured, with an interest rate of 12% per annum, payable at maturity. The balance owing, including accrued

interest, as at 30 September 2021 was $C298,225 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 were 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 ASX Listing.
- Interest on borrowings accrued at 30 June 2021 of $888,045 on certain term debt instruments was not paid upon conversion of liabilities to CDIs at 29 September 2021. This arrangement was part of the debt settlement agreements and was netted against the loss on settlement of financial liabilities in the profit and loss.

9. Derivative Liabilities

in USD	As at 30 June 2022	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**

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 resulted in a $593,230 gain for the period.

Convertible Notes and Derivative Liabilities were satisfied by a debt-to-equity conversion 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 of the equity issued was the share price on the Initial Public Offering.

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.

10. Income Tax

in USD	As at 30 June 2022	As at 30 June 2021
Statement of Profit or Loss and Other comprehensive Income		
Current income tax		
Income tax expense	-	-
Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense/(benefit) at the Group's effective income tax is as follows:

Accounting profit/(Loss) before income tax	(3,984,227)	(13,314,669)
Tax at statutory tax rate of 26.5% (2021:26.5%)	(1,055,820)	(3,528,387)
Share based payments	349,434	-
Expenditure not allowed for income tax purposes	1,077,150	2,994,485
Capitalised expenditure deductible for tax purposes	(373,657)	-
Net deferred tax not recognised	(21,329)	533,902
Income Tax expense	**-**	**-**

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 $63,375,122 and will variously expire twenty years after the year in which the respective loss was incurred.

11. 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.

Year ended 30 June 2022

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 6)	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 30 June 2022 of Shares and CDIs	**294,130,529**	**182,816,338**
Balance 30 June 2022 of shares	4,818,622	
Balance 30 June 2022 of CDIs	289,311,907	
Balance 30 June 2022 of shares and CDIs	**294,130,529**	

Year ended 30 June 2021

in USD	Number of Common Shares	Amount
Balance 30 June 2020 prior to consolidation	1,204,892,898	141,517,358
Consolidation of Shares	(1,200,074,276)	-
Balance 30 June 2021	**4,818,622**	**141,517,358**

12. Share based payments

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

Each option or Performance Right converts into one ordinary share on exercise. No amounts are paid or payable by the recipient on receipt of the option or performance right. They carry neither rights to dividends or voting rights.

The Broker Options have an expiry date four years after issue and an exercise price of $A0.25. The Class B Incentive Options have an expiry date five years after the issue date and an exercise price of $A0.30. One-third of the Options vest on grant, one-third in twelve months and one-third in twenty-four months. The Bonus Options have an expiry date four years after issue and an exercise price of $A0.25. The Performance Rights have a $nil exercise price but only vest if certain resource targets are met within two years for the Class A and three years for the Class B Rights.

The Class A Performance Rights will vest upon 4 million ounces Resource being achieved at the Bau Gold Project within two years of listing, or if a sale of the project occurs or upon a change of control.

The Class B Performance Rights will vest upon 5 million ounces Resource being achieved at the Bau Gold Project within three years of listing, or upon completion of a feasibility study on the Bau Gold Project which evidences an IRR in excess of 30% using publicly available spot commodity pricing and verifiable industry assumptions, or if a sale of the project occurs or upon a change of control.

The following share-based payment arrangements were in existence during the reporting period including the model inputs for options granted during the year ended 30 June 2022

	Lead Manager Options	Broker Options	Bonus Options	Class A Options	Class B Options
Exercise price	$A0.25	$A0.25	$A0.25	$A0.30	$A0.40
Grant date	8 October 2021	8 October 2021	8 October 2021	8 October 2021	8 October 2021
Expiry date	7 October 2025	7 October 2025	7 October 2025	7 October 2026	7 October 2026
Life in years	4	4	4	5	5
Volatility	84.4%	84.4%	84.4%	78.7%	78.7%
Risk free rate	0.52%	0.52%	0.52%	0.78%	0.78%
Number	3,017,275	1,625,000	2,500,000	3,625,000	3,625,000
Value per option at grant date	$0.05	$0.05	$0.05	$0.05	$0.05

The following performance rights were in existence during the reporting period including the model inputs for options granted during the year ended 30 June 2022

	Class A Rights	**Class B Rights**
Exercise price	$nil	$nil
Grant date	8 October 2021	8 October 2021
Expiry date	7 October 2023	7 October 2024
Life in years	2	3
Volatility	82.5%	90.4%
Risk free rate	0.01%	0.27%
Number	2,600,000	3,650,000
Value per right at grant date	$0.10	$0.10

Fair value of share options and performance rights granted during the year

During the year the Company issued 33,062,609 options and performance rights. The fair value of the Share Options and Performance Rights is measured using the Black Scholes model. The value of the options and rights 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 model inputs for the options and performance rights granted during then year ended 30 June 2022 are set out in the tables above. None of the options or performance rights issued had service conditions.

Movements in share options and performance rights

Movements in share options and performance rights held by directors and employees during the year ended 30 June 2022

in USD	No. of Options and Rights	Weighted average exercise price
Options and Performance Rights		
Balance at start of Year	-	-
Granted and vested during the year	4,797,425	$0.30
Granted and not vested during the year	15,844,850	$0.18
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at year end	**20,642,275**	**$0.21**
Exercisable at year end	**4,797,425**	**$0.30**

The weighted average remaining contractual life of the share options and performance rights at the end of the year was 3.2 years (2021: Nil)

There were no movements in options or performance rights during the year ended 30 June 2021.

None of the options or performance rights were forfeited, lapsed or were exercised during the year.

Share options and performance rights outstanding at the end of the year

Share options and performance rights issued and outstanding at the end of the year

in AUD	30 June 2022		30 June 2021	
	Exercise Price	Number	Exercise Price	Number
Broker options	$A0.25	4,642,275	-	-
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	3,650,000	-	-
Totals		**20,642,275**	**-**	**-**

13. Share Based Payments Reserve

in USD	As at 30 June 2022	As at 30 June 2021
Balance as at 1 July 2021	-	-
Share options	687,070	-
Performance rights	631,547	
Balance as at 30 June 2022	**1,318,617**	**-**

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.

14. Finance costs

in USD	Year ended 30 June	
	2022	2021
Interest on borrowings and costs	211,249	700,408
	211,249	**700,408**

15. Earnings Per Share

	Year ended 30 June	
	2022	2021
Basic profit (loss) per share attributable to Equity Owners:		
Loss for the year	(3,984,227)	(13,314,669)
Weighted average number of common shares outstanding	221,802,552	221,802,552
Basic and Diluted Loss per Share	**(0.018)**	**(0.060)**

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.

The comparative basic and diluted earnings per share for the prior year has been recalculated based on the current weighted average number of shares outstanding for consistency.

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 or options and performance rights 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.

16. Accumulated Losses

in USD	As at 30 June 2022	As at 30 June 2021
Balance at start of Year	(154,874,482)	(141,575,005)
Net Loss attributable to shareholders of parent	(3,922,478)	(13,299,477)
Acquisition of Minority Interest	(5,348,352)	-
Balance at year end	**(164,145,312)**	**(154,874,482)**

17. Related Party Disclosure

Related parties of the Group are considered to be Key Management Personnel (J Seton, Dr R Shaw, E Kestel and K Wright) and the Directors.

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

Key Management and Directors

in USD	Year ended 30 June	
	2022	2021
Management fees and salary expense	364,495	374,375
Amount payable for the management fees and salary expense	-	1,424,243
Working capital financing from the directors during the year, also outstanding at year end	-	100,619

Executive service agreements
The Company has entered into executive services agreements with each of John Seton, Dr Ray Shaw, Kevin Wright and Eryn Kestel.

Indemnity Deeds
The Company has entered into Indemnity Deeds with all Officeholders.

Jon Morda loan agreement
The Company entered into a loan agreement with Jon Morda, a Director of the Company whereby Mr Morda agreed to make available to Besra a $C75,000 cash advance facility to be used for the working capital of Besra or its related bodies. The loan together with interest at 12% per annum was repaid from the proceeds of the Initial Public Offer.

Mark Eaton loan agreement
The Company entered into a loan agreement with Mark Eaton, a Director of the Company. The agreement is on the same terms as the loan agreement entered into with Jon Morda with the exception that Mark Eaton may, at his election, direct any repayment of the loan to pay the subscription amount due under any subscription by Mark Eaton in the Initial Public Offer. The loan was repaid by settlement of the subscription amount due in the Initial Public Offer.

Other
Related party transactions may be proposed from time to time. Any such transactions occur in the normal course of business, and the terms and conditions of the transactions are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arms' length basis.

18. Auditors Remuneration

in USD	As at 30 June 2022	As at 30 June 2021
Grant Thornton Australia, NZ and Canada		
Audit and review of financial reports	138,541	205,702
Other Consulting work	10,302	135,370
Total remuneration	**148,843**	**341,072**

19. 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, is paid quarterly in arrears to the Contractor in consideration for the Services over the two-year term of the agreement to July 2023. The agreement may be extended on terms mutually agreed between the parties.

Contingencies

There are no contingencies (2021: $nil).

20. 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; and
- interest rate risk.
- Capital 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 30 June 2022:

in USD	Within 1 Year	1-5 Years
Loans and other borrowings	181,969	49,500
Trade and other payables	512,886	-
	694,855	49,500
Financial derivatives	-	-
Total	694,855	49,500

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 statement of financial position of the Group includes US and Canadian dollar cash and cash equivalents. 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 trade and receivables. The maximum exposure to credit risk is equal to the carrying value of the 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.

in USD	Year ended 30 June	
	2022	2021
Trade and receivables	19,727	25,511

Interest rate risk

The interest rate risk is insignificant. There is no sensitivity to interest rates.

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board. The capital structure of the Company consists of net debt (trade and other payables and loans and borrowings as detailed in Notes 7 and 8 offset by cash and bank balances) and equity of the Company (comprising contributed equity and reserves, offset by accumulated losses detailed in Notes 11, 13 and 16). The Company is not subject to any externally imposed capital requirements

21. Events After the Reporting Date

During August 2022 Quantum Metal Recovery Inc. became a new substantial shareholder. This company is a US based corporation and part of a group whose principals are based in Malaysia, with strong relationships to Sarawak stakeholders, including within the district of Bau.

No other matters or circumstances have arisen since 30 June 2022 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.

22. Segment reporting

The Company has only one operating segment being gold exploration in Malaysia.

23. Authorization of Consolidated Financial Statements

The consolidated financial statements for the year ended 30 June 2022 including comparatives were approved by the board of directors on 30 September 2022.

Signed:

Andrew Worland
Chairman
Date: 30 September 2022

Signed:

Jon Morda
Director & Audit Committee Chairman
Date: 30 September 2022

BESRA GOLD INC.

DIRECTORS' DECLARATION

Financial Report Year ended 30 June 2022

The Directors of Besra Gold Inc declare that:

1. the financial statements and notes of the Company:

    (a) comply with International Financial Reporting Standards; and

    (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company;

2 There are reasonable grounds to believe that Besra Gold Inc will be able to pay its debts as and when they become due and payable.

On behalf of the Board:

Andrew Worland
Chairman
30 September 2022

Independent Auditor's Report