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

for the 12 months ended 30 June 2019 & 2018

The following MD&A provides a narrative from management's perspective of how Besra Gold Inc ("the Group" or "Besra") has performed over the 12 months for the 2019 and 2018 financial years, including its financial condition and its future prospects.

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

Forward Looking Information

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

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

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

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

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

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

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

These forward-looking statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Group and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner.

The Group's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Group assumes no obligation to update such forward-looking statements in the future, except as required by law.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For the reasons set forth above, investors should not place undue reliance on the Group's forward-looking statements.

Other Disclosure

The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated audited financial statements for the years ended June 30, 2018 and 2018 and notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The information provided herein supplements, but does not form part of, the financial statements.

This discussion covers the financial years ended June 30, 2018, and 2019 and the subsequent period up to the date of issue of this MD&A. Additional information relating to the Group is available at www.sedar.com.

The Group has prepared this MD&A in conformity with the requirements of National Instrument 51-102 ("NI-51-102").

These statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in United States dollars unless otherwise noted.

Unless otherwise indicated, the technical disclosure contained within this MD&A has been reviewed and approved by Mr Kevin Wright (a qualified person for the purpose of National Instrument 43- 101 ("NI 43-101"), Standards of Disclosure for Mineral Projects). Mr Wright was a full-time consultant to the Group and was not "independent" within the meaning of National Instrument 43-101. Mr Wright consents to the inclusion in this report of the information that he has compiled in relation to the Bau Gold Property, in the form and context in which it appears.

Business and operating environment in an Emerging Market

Besra Gold Inc. (formally Olympus Pacific Minerals Inc)) ("Besra") is a Canadian incorporated public Group previously listed on the Toronto Stock Exchange, the Australian Securities Exchange and the OTCQX Bulletin Board in the United States. It acquired interests in the Besra Gold Field as a result of an amalgamation with Zedex Minerals Limited in December 2009.

As a result of this amalgamation Besra held a portfolio of exploration and mining assets in the Philippines, Australia, Malaysia and Vietnam. In the latter, Besra successfully developed an open-pit and two underground gold mines.

Following issues with provincial authorities in Vietnam the Group was forced into administration in 2014. Subsequently, and as part of a restructure aimed at preserving shareholder interests, the Group severed its

connections with all its historical interests except for its Malaysian portfolio centred on the Bau Gold Field. As such Besra's only remaining assets are located in Malaysia and it does not have any relationship with former assets in Vietnam, Australia or the Philippines.

Bau Gold Project

The Group is in a consortium with a Malaysian Group with Bumiputra interests that owns rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia.

Besra's interest in Bau project stems from an Earn-In Agreement entered into between Zedex Minerals with Gladioli Enterprises Sdn Bhd and Golden Celesta Sdn Bhd in 2006.

The Bau Project JV is managed by Besra through its majority owned subsidiary, North Borneo Gold Sdn Bhd, (NBG) a Malaysian incorporated Group. The other Joint Venturers are a Malaysian Mining Group, Gladioli Enterprises Sdn Bhd (Gladioli) and Golden Celesta Sdn Bhd.

The Bau Project is currently 92.01% owned and controlled by Besra Inc, through its subsidiary NBG.

Key Personnel – experience in Malaysia

The Group's senior management and directors have direct experience in mining activities within Malaysia.

Mr Seton, the Group's CEO, has been involved with the Group's investment in the Bau gold project since its acquisition in 2006. Ms Bennett and Mr Terry, directors of the Group, have ongoing business activities in Malaysia. Mr Morda, Chairman of the Group's Audit Committee and a former CFO of Alamos Gold Inc., has more than 21 years global mining experience and has visited the Bau site.

The Group's Project Manager for the Bau project, Mr Kevin Wright, who previously worked for the Group on its former Vietnamese mines, was for nine years GM for Monument Mining Ltd's Selingsing Mine in Malaysia and is a resident of Kuala Lumpur.

Property Description & Location

Besra's Bau Project is located on the Island of Borneo in Sarawak, Federation of Malaysia. The project area is centred on the township of Bau some 40 km WSW of the state capital of Kuching (population ~640,000); see *Figure 0-1 - Property Location Plan* below.

Besra's Bau Project is a brown-field project comprising Mining and Exploration tenements that cover more than 1,340km^2 of the most highly-prospective ground within the historic Bau Goldfield, spread over 3 regions in Sarawak.

The main focus of Besra's activities are Blocks A and B which relate to the Bau district.

The other two regions, known as Block C and Gunong Rawan lie east of Bau nearer to the Sarawak/Kalimantan border and these are earlier stage exploration projects.

Figure 0-1 - Property Location Plan

Local infrastructure, community and environment, including language and cultural differences

The Kuching District, (including Bau) has a population of approx. 640,000 people.

At Bau the main population groupings are Bidayuh, from the Dyak ethnic group, and Chinese who are mainly descendants of early miners who came to the area in the mid to late 19th Century to exploit the gold and antimony deposits at Bau. Sarawak has a per capita GDP of US$1,400. Mining represents about 20% of Sarawak's GDP.

The area around Bau township is dotted with Kampung (village) style residential and 'farmlet' developments. Most of the lowland area has been subject to extensive clearing associated with agriculture and historical gold mining pursuits.

Because commerce in Bau township has suffered substantially since closure of the last operating gold mine (Tai Parit) in 1996, much of the Bau community is strongly supportive of the mining industry and its rejuvenation.

Sarawak environmental standards are deemed to be low but evolving. Besra follows international best practice.

The main industries in the Bau district are limestone quarrying, fish farming, rice farming, palm oil and rubber production, and now mineral exploration.

The Bau Project generally has good infrastructural aspects both within Bau township and in Kuching. The main infrastructural features are:

- Existing heavy industry support services;
- Regular and reliable international air services to Kuching from Kuala Lumpur, Singapore, Hong Kong and Indonesia. The airport is only a 40 minute drive from the Bau Project area;
- Two ports with good dock and storage facilities;
- Two main sealed trunk roads connecting the Bau Project with Kuching suitable for all weather delivery of supplies, heavy plant and equipment;

- Excellent labour and heavy engineering support services;
- Easy accessibility - project extremities are less than a 20 minute drive from the exploration base, and all important mines and gold prospects are linked by road;
- Area is serviced with reticulated power and water;
- The official language in Sarawak is Bahasa Malaysia, but most local communities have English as a second language;
- Well educated workforce which is strongly supportive of the project.
- An active quarrying industry focused mainly on limestone and marble for roading aggregates and agricultural purposes;
- Ready supply of earthmoving equipment that supports the existing quarrying industry; and
- A local labour source with mining experience gained from the quarrying industry and past gold mining activity.

Sarawak Legal Framework & Investment Climate

The State of Sarawak was formerly a British protectorate, located in the north-western part of the island of Borneo. It was first established as an independent kingdom originating from a series of land concessions acquired by an Englishman, James Brooke, from the Sultanate of Brunei. Sarawak received recognition as an independent state from the United States in 1850, and from the United Kingdom in 1864.

Sarawak has a Westminster style parliament and western style legal system. The currency is the Malaysian Ringgit (currently fixed at USD1.00 = MYR3.80). Sarawak has a per capita GDP of USD1,400.

Mining currently represents about 20 % of Sarawak's GDP. Mining companies enjoy "Pioneer" status and tax benefits, which include:

- 85 % Income tax exemption on statutory income for 5 years and only 4.2% corporate tax. Additional benefits accruing to the mining industry include:
- 80% Mining Investment Tax Allowance (ITA) Benefits. These apply to qualifying capital expenditure incurred during the first 5 years (subject to a maximum income tax exemption of 85% of statutory income for a year of assessment). Unutilized allowances can be carried forward to subsequent years.
- Exemption from import duty and sales tax on machinery/equipment.
- Low mining royalties: zero % royalty on gold and 5 % ad valorem on all other minerals

Regulation of Mining Industry & Foreign Investment in Malaysia

The two main legal instruments that govern activities relating to minerals are the Mineral Development Act, 1994 and the State Mineral Enactment.

The Mineral Development Act, 1994 came into force in August 1998. The State Mineral Enactment for Sarawak, where the Bau Gold Project is located, is entitled the "Minerals Ordinance, 2004" and was proclaimed into effect on July 1, 2010.

The Mineral Development Act 525 of 1994 defines the powers of the Federal Government for inspection and regulation of mineral exploration and mining and other related issues.

The State Mineral Enactment provides the State with the powers and rights to issue mineral prospecting and exploration licenses and mining leases and other related matters.

The Governor of the State of Sarawak, in which the Bau Project is located, has statutory rights to forfeit or cancel mining tenements if there is a breach of or default in the observance of any of the covenants or conditions attached to the relevant Mining Tenement.

Parties may apply for a General Prospecting Licence or an Exclusive Prospecting Licence for an initial term of two years (with one renewal period for a further two years). Mining operations require a Mining Lease, or in the case of a Mining Lease where the boundary survey of the area has not been completed, a Mining

Certificate. In either case, the maximum term is 21 years. The mineral tenure regime in Sarawak is explained in more detail in the next section.

Malaysia has been a member of the World Trade Organisation ("WTO") since 1 January 1995 and has made various commitments pursuant to the General Agreement on Trade in Services ("GATS") including setting out the transactions relating to investment in Malaysia which would require approval. Since Malaysia is a member of the WTO, foreign companies under the terms of the WTO membership are expected to be treated on an equal basis as Malaysian Companies.

No restrictions are imposed on foreign companies investing in Malaysia with regard to repatriation of capital, interest, profits and dividends.

No gold royalties are payable to the Federal Government.

Mineral Tenure Regime

All mineral resources in Malaysia are state owned. Exploration and mining rights are issued subject to the recently gazetted Minerals Ordinance 2004 which has an effective commencement date of 1 July 2010, and Mining Rules (1995).

The following *Table 1-2: Sarawak Mining Tenure Types - General Prospecting Licence (GPL)* summarises the exploration and mining tenure types that are applicable in Sarawak, and to the Bau Project.

Licence Type	Parameters	Parameter Description
General Prospecting Licence (GPL)	Max Size	200 km^2 (50,000 acres) Pre 1991 tenements may be larger
	Term	2 years standard Renewable to maximum 6 years (3 x 2yrs) Convert to EPL after 1st 2 year term
	Rental	RM 0.50/Ha/year payable at start of term
	Obligations	No minimum expenditure 6 monthly report within 30 days Final report within 3 months of term expiry date
	Notes	Renewal application with final report 50% compulsory relinquishment end of 1st 2 year term Additional 10% relinquishment after 2nd 2 year term

Table 1-2: Sarawak Mining Tenure Types - General Prospecting Licence (GPL)

Licence Type	Parameters	Parameter Description
Exclusive Prospecting Licence (EPL)	Max Size	20 km^2 (5,000 acres) Pre 1991 tenements may be larger Multiple EPL's allowed up to max.
	Term	4 years standard Renewable for subsequent 4 years
	Rental	RM 1.50/Ha/year (or part thereof) payable at start of term
	Obligations	Minimum expenditure of RM 75,000 over EPL term (4yrs) 6 monthly report within 30 days Final report within 3 months of term expiry date

Licence Type	Parameters	Parameter Description
	Notes	Renewal application with final report No compulsory reduction for 2nd term

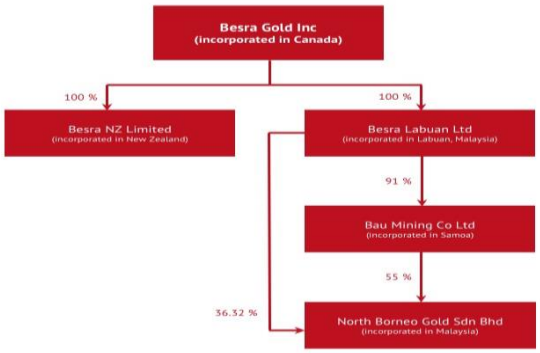
Table 1-3: Sarawak Mining Tenure Types - Exclusive Prospecting Licence (EPL)

Licence Type	Parameters	Parameter Description
Mining Certificate (MC)	Max Size	2,000 hectares Pre 1991 tenements may be larger
	Term	21 year maximum Renewal 1 year before expiry
	Rental	RM 10/Ha/year (or part thereof) paid annually 10% penalty for any arrears
	Obligations	No minimum expenditure Final report within 3 months of new calendar year (March)
	Notes	Does not extinguish any previously existing land titles and allows mining in unalienated land with the permission of the owner and requires negotiation of compensation and royalty

Table 1-4: Sarawak Mining Tenure Types - Mining Certificate (MC)

Licence Type	Parameters	Parameter Description
Mining Licence (ML)	Max Size	2,000 hectares
	Term	21 year maximum Renewal 1 year before expiry
	Rental	RM 10/Ha/year (or part thereof) paid annually 10% penalty for any arrears
	Obligations	No minimum expenditure Final report within 3 months of new calendar year (March)
	Notes	In the case of unalienated land, all land issues such as Native Customary Rights must be recorded by Lands & Surveys Department prior to the issuance of ML If no renewal, the land reverts to 'State land' irrespective of what other titles may have pre-existed

Group corporate structure



Overall Highlights

The Group Financial Statements, prepared on a consolidated basis, and this MD&A have been prepared as if Besra was a new issuer formed to acquire and operate the Bau Gold Project. All amounts quoted are USD unless otherwise stated.

The 30 June 2019 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc. after completion of the corporate restructuring and the Exit Financing dealt with in more detail below.

During 2019, the Group had limited funds available for exploration work. The Group's ability to obtain additional funds include, but are not limited to the consequences of:

- its ability to secure a listing on a public exchange, in 2020;
- favourable gold price commodity conditions;
- the existing attributes of the Bau Gold Project including its significant resource inventory and ability to utilise these and advance the Bau Gold Project to the next stage which may include the development of a feasibility study.

Performance Highlights

For the year ended 30 June 2019 the Group recorded a net loss of $22,500,323 (2018: $621,843), resulting in a (0.016) c earnings per share (2018: (0.001)c.

Apart from corporate and administrative expenses in 2019 of $1,736,860 (2018: $1,216,696), the other significant charge to Consolidated Statement of Income for the year was Finance Charges which comprised largely of interest expense of $1,499,498 (2018: $160,394).

Summary of assets held

Due to its cash constraints, only limited exploration work was conducted by the Group on its remaining significant exploration asset at Bau, in Malaysia

Total exploration and evaluation asset for 30 June 2019 was $17,506,422 while total liabilities amounted to $17,530,848.

During the year, Besra undertook impairment testing using a report from a qualified and independent party who arrived at an Enterprise Value based on a pre-IPO (ie. 'Initial Public Offering') valuation of $17.5 million. On listing the market ascribe a different value to the asset which may be more or less than the carrying value used in these accounts. The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset. As a resultof this work, the Group have concluded that it was necessary to impair the carrying value of Bau for the year ended 30 June 2019 by an amount of $33,270,000 reducing the value of the asset to $17,506,422.

As at 30 June 2019 the Group had cash of $22,467 (2018: $73,003) and negative working capital of $**15,082,550** (2018: $5,558,078 negative). The negative movement in working capital is largely caused by the change in the value of the Derivative Liabilities of $6,794,646 being taken to account as a result of methodology used in the valuation of the group's financial liabilities in 2019.

Corporate Strategy & Business Overview

Summary of Operations & Outlook

The review of the results of operations should be read in conjunction with the Group's audited consolidated statements and the related notes for the year to 30 June 2019.

Summary Statement of Financial Position comprises Derivative liabilities and loans of $12.48m (2018: $18.4m which funded the significant exploration asset, Bau, and the operations of the company in 2019 and 2018. The face value of the derivative liabilities and loans should be read in conjunction with the impact that the change in the derivative liabilities for 2019 the net of which arrives at the fair value of the loans, as discussed in the section above.

	30 June 2019	30 June 2018
Total Assets	**17,586,915**	**50,984,214**
Current Liabilities	15,115,389	5,701,467
Non-current Liabilities	2,415,009	22,726,357
Total Equity	56,067	22,556,390
Total Liabilities & Equity	**17,586,915**	**50,984,214**

The obligations of the Group under one of the Convertible Notes is secured by a general security agreement over the Group's assets and by share pledge arrangements.

Loan Liabilities valuation and analysis

Valuations were prepared on each of the Group's loan liabilities, categorized as 'convertible notes' have embedded equity features which have been valued at each balance date utilizing a valuation methodology that uses a binomial lattice model to calculate the value of the each of the Convertible Notes as a function of the Group's stock price.

The valuation analysis performed by independent experts on behalf of the Group used US dollar inputs, as the Group's common stock is traded in US dollars, and the results have been converted to Canadian dollars using spot rates as of each Valuation Date.

In 2019 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.

Last year, 2018, the approach used was the binomial lattice model is a method of approximating the numerical solutions achieved by using a flexible lattice framework. The binomial lattice trees are constructed using a methodology that assigns up and downward movement factors and probabilities based on rates of return, volatility and time.

Changes in Convertible Notes' fair value, in 2019 are reflected in the Statement of Financial Position as Derivative Asset under Current Liabilities and have otherwise been account through the profit and loss.

Summary Statement of income

	30 June 2019	30 June 2018
Gold Sales*	-	-
Corporate and administrative expense	1,736,860	1,216,696

Exploration expense	104,700	3,379
Depreciation and amortization	22,038	19,779
Impairment charges	33,270,000	-
Derivative fair value revaluation	(6,794,646)	(191,647)
Finance Charges**	1,499,598	(160,394_
Loss before Income Tax	29,338,550	887,813
Income tax (recovery) expense	(7,338,227)	(265,969)
Net Loss after Tax	22,500,323	621,843

* The Group is at an exploration stage, and Bau is under care and maintenance. There were no sales, in either 2019 or 2018.

** **Summary of finance charges:**

	30 June 2019	30 June 2018
Interest on borrowings and notes	39,049	-
Finance expenses	1,424,245	-
Foreign exchange (gain), net	36,304	(160,394)
	1,499,598	(160,394)

Bau Gold Project – an overview

The Group's sole exploration and evaluation asset is entirely comprised of the Bau GoldProject, a brown-field project, spread over a large geographic area (Figure 0-1):

- mining and exploration tenements that collectively cover more than 1,340km^2
- 3.03 Moz measured, indicated and inferred. Initial resource, revised as a result of notice of intention for the revocation of certain mining licences, discussed below.
- a completed feasibility study on Stage I production;
- considerable ounce and grade upside;
- zero royalty on gold;
- favourable taxation rates; and
- within a jurisdiction with a robust legal system and bureaucracy.

The Group is in a consortium with a Malaysian Group with Bumiputra interests that owns rights to consolidated mining tenements covering much of the historic Bau Goldfield in Sarawak, East Malaysia.

The feasibility study for Stage 1 of the Bau Gold Project in East Malaysia was completed in the financial year ended 30 June 2014. The Bau Gold Project is currently on care and maintenance as the Group has insufficient funds to carry on additional work.

The Group is working on a plan to recapitalize the Group in 2020. The Group will budget a program to expand the current mineral resources, target new discoveries, and advance the project to the feasibility stage, consistent on the level of funding available.

Results of Operations

	30 June 2019	30 June 2018
Administration & Other Expenses:		
Professional & Consulting Fees	413,513	351,010
Management & Administration	399,881	433,197
Labour Expense	94,916	135,690
Travel & Accommodation	12,422	53,564
Office & Facilities	13,195	72,779

Insurance	48,065	54,001
Directors Fees	140,000	116,455
Exploration Expense	-	3,379
Depreciation	22,038	19,779
Derivative Revaluation	(6,794,646)	(191,647)
Finance Charges	1,499,598	(160,394)
Impairment Charges	33,270,000	-
Deficit from Operations	29,838,550	887,813
Exploration & Evaluation Expenditure	4,840	698,570
Explorations & Evaluation Asset Bau	17,506,422	50,771,582
Property, Plant & Equipment	47,204	69,243

Bau Project Exploration and Evaluation Expenditure Detail

	30 June 2019	30 June 2018
Assays & Assessment Supplies	-	327,446
General Equipment & Supplies	-	1,291
Drilling Expense	-	-
Exploration Office Expenses	-	14,685
Utilities	-	13,500
Travel & Accommodation	-	9,489
Contractors & Consultants	4,840	121,141
Labour Expenses	-	178,318
Transport	-	32,346
Interest	-	354
	4,840	698,570

Notice of intention to revoke certain Mining licences

On June 8th, 2018 the Group received a letter from the Ministry of Urban Development and Natural Resources ('UDNR') advising of its intention to revoke within 30days four Mining Licences ('ML's') in the Bau Project encroached upon by the Dered Krian National Park ("DKNP"):

ML #	AREA (Ha)
ML/01/2012/1D	50.679
ML 1D/136/ML/2008	12.735
ML/03/2012/1D	139.60
ML/04/2012/1D	49.384
TOTAL:	**252.398**

The DKNP covers 1,920 Ha peripheral to Gunung Krian. The DKNP boundaries encompass most of the elevated Upper Bau limestone terrain that lies immediately south of Bau township.

The reason given for revocation was "contravention of sections 45(1) (c), 56 and 57(1) of the Minerals Ordinance 2004, by not commencing development work within 9 months of the date of grant of the ML's".

As of the date hereof, the ML's have not been revoked and the Group has been in dialogue with UDNR about a voluntary partial surrender or excision from the ML's of the land within the DKNP boundaries.

However, even if the actual revocation were to occur, the loss of the actual DKNP land is not considered to be of significant consequence as the bulk of the resources and reserves remain external to the DKNP.

On the basis that the land within the DKNP is surrendered, the project's global resource is above 3.02M oz and the global reserve would remain unchanged at 10.662 Mt @ 1.70 g/t Au (containing 0.68M oz Au).

Summary of work completed on Bau Gold Field Project in 2018 - 2019

Quantification of Bau Reserves and Resources to comply with JORC (2012)

Since project inception, NBG has been conducting exploration to validate and improve the geological definition of previously established resources within the Jugan, Pejiru, Sirenggok and BYG.

For the purposes of the Feasibility Study Stage 1, Bau Gold Project Resources complied with the JORC 2004 Code.

In 2018, in keeping with common practice, these Resources were re-classified in accordance with the JORC 2012 Code.

Category	Tonnes	Grade (g/t)Au	oz Au
Measured	3,405,600	1.52	166,900
Indicated	17,879,700	1.67	958,000
M & I	21,285,300	1.64	1,124,900
Inferred	50,206,400	1.35	2,181,600
M & I & I	71,491,700	1.44	3,306,500

The resulting Bau Gold Project JORC 2012 Mineral Resource estimates (using a 0.5 g/t Au cut off) are as tabulated above.

These estimates have been prepared based on, and fairly represent, information which has been compiled by employees of Besra Gold Inc under the supervision and guidance of the Project Director (Mr Kevin Wright), who is an employee of Besra Gold Inc and a Member of The Australasian Institute of Mining and Metallurgy.

Report on Bau Gold Field Exploration Target

A report was completed in July 2019 identifying the Exploration Target potential of the Bau Gold Field Project area as defined by the JORC 2012 Code.

This report was compiled by employees of Besra Gold Inc under the supervision and guidance of the Project Director (Mr Kevin Wright), who is an employee of Besra Gold Inc and a Member of The Australasian Institute of Mining and Metallurgy. These were compiled for six of the key project areas for which JORC 2012 compliant Resources had previously been delineated.

The Exploration Target inventory, tabulated below, is in addition to those Resources already delineated. In aggregate they range between 4.9 – 9.3 Mil Oz. Additional to the Resources already delineated they

represent, for the most part, estimates stepping out from existing JORC Resources in the respective project areas. As such they are considered both conservative and non-exhaustive.

This Exploration Target inventory provides significant comfort that an enhanced throughput model (see below) which assumes an ultimate 5 Mil Oz inventory over a 14 year LOM can be justified. Prudently a decision to construct a full 12,000 tpd capacity plant would not be made on the basis of a total 5 Mil Oz of Resource.

BAU EXPLORATION TARGET POTENTIAL						
Deposit	**Tonnage Range (Mt)**		**Grade Range (g/t Au)**		**Gold Potential (M Oz)**	
	From	**To**	**From**	**To**	**From**	**To**
Pejiru	30	42	1.76	2.44	1.7	3.3
Jugan	34	40	1.82	2.50	2.0	3.2
Say Seng	7	10.5	1.42	1.60	0.3	0.5
Sirenggok	8	11.4	1.15	4.25	0.39	1.56
Bekajang	8	9	2.0	3.0	0.50	0.80
Combined:	**87**	**112.9**	**1.74**	**2.55**	**4.89**	**9.27**

The above grade and tonnage estimates relate to mineralisation "potential" within defined deposit extensions.

Since insufficient exploration has yet been conducted to allow JORC estimation of mineralization within these extensions, the above estimates are only conceptual in nature and it is uncertain whether further exploration will achieve the estimation of additional Mineral Resources in all or any of these deposits.

Quantification Report for upgrading Bau to a 12,000 tonnes per day ('tpd') throughput

Kevin Wright, principal of Wrightech provided Besra with a report in April 2019 quantifying what the costs could be including any cost savings relative to those assumed for the Prefeasibility Study 2013 (aka Stage 1 Feasibility), applied to an appropriately sized sulphide process plant to produce ˜250 Au Oz per annum for a 5 million Au Oz deposit. This Report is preliminary in nature and not intended to be compliant with any certification code. This report projects all-in costs of production at US$ 829/Au Oz , a Project NPV of US$ 748m and an IRR of 81%, at the same Au price as used in the Stage 1 Feasibility Study including concentrate freight, transportation, refining costs and % payable Au, a substantial improvement on the corresponding metrics estimated for that Study in 2013.

The decision to consider a scale-up from 8,000 tpd to 12,000 tpd ore extraction is that in practice the economies of scale contribute to lower unit costs for the latter case. The assumption is that the cost advantage experienced by the increase in ore and gold production results from the inverse relationship between the fixed unit cost and the tonnage produced. The economies of scale for the 12,000 tpd scenario also are assumed to result in a fall in average variable costs (average non-fixed costs) with the higher production relative to 8,000 tpd (assumed for Stage 1 Feasibility) brought about by the expected operational efficiencies and synergies as a result of the increase in the scale of production.

The Stage 1 Feasibility Study assumed that the 8,000 tpd was the most cost-effective daily production rate in 2013 and that the geometry of the pits was assumed to accommodate the equipment size required to meet the designed production capacity. Further detailed mine engineering work will be required to optimise the pit designs for the 12,000 tpd scenario should this option be pursued further.

The initial mining is planned to commence at the Jugan Hill deposit situated at the NE end of the Bau Project area approximately 7 kms from the Bau town and community. The higher throughput is modelled on the basis of the Bau Gold Field will be able to provide sufficient reserve feed-stock to economically mine and process 12,000 tpd of ore for 14 years. In turn this will require further exploration effort to confirm sufficient resources and reserves are identified and based on current conversion ratios requires an ultimate resource of some 5 Mil oz.

Given the existing resource inventory and Exploration Target inventory it is reasonable to assume that this resource target may be achievable based on current knowledge of the Besra Gold Field.

For sake of the exercise production assuming a higher 12,000 tpd throughput adopted the Year -1/1 through Year 3.5 production schedule used in the Stage 1 Feasibility Study for the Jugan and BYG-Krian. These deposits were identified as individual, separate and subsequent sources of mill feed. To support the higher production throughput they have been combined to produce concurrently so that production from the higher tonnage lower grade Jugan can be blended with the lower tonnage higher grade BYG-Krian; about a 11:1 ratio to feed the plant with the targeted 1.7 Au g/t.

After this feedstock is exhausted it is assumed that Jugan and BYG-Krian deposits will continue to yield similar grade Au and that this will be supported by additional well mineral reserves resulting from future exploration programmes.

The capital costs estimates were derived in conjunction with operating costs for input in the Stage 1 Feasibility Model The processing costs are based on a similar concentrate process, with operating expenses derived for a 12,000 tpd model previously used in the Stage 1 Feasibility Study. Increased OPEX costs were pro-rata based on those estimated for the Stage 1 Feasibility Study, unless more accurate information was available.

Capital items were specifically based on plant design for 12,000 tpd including project and mining infrastructure, such as haul and access roads, based on expanded versions of costs estimated for the Stage 1 Feasibility Study. A major infrastructure capital item is the tailings dams upgrade which, in order to accommodate the 12,000 tpd scenario, an additional $US 15,000,000 is estimated including costs for elevating embankments during the extended life of the mine. Substantial budget increases have also been allowed for the acquisition of additional land. Total capital costs were estimated at ~US$214 million compared to US$135 million for a 8,000 tpd plant.

As with the assumptions made in the Stage 1 Feasibility Study, Au contained sulphide concentrate will be a product of the mill feed following crushing, grinding, sizing, desliming, and concentration by flotation, concentrate thickening and filter press dewatering. The concentrate filter cake will then be shipped in suitable containers to the off-shore refining facility. Parameters assumed in processing, such as the flotation mass pull is assumed to be 8% to 10%, similar to that based on test work at the time of the Stage 1 Feasibility Study. Using an 8% mass pull, the grade of concentrate is estimated as 16.5 Au g/t. Based on studies undertaken during and subsequent to the Stage 1 Feasibility Study an improvement is anticipated in flotation recovery and a concentrate grade target of 25 to 30 Au g/t is considered achievable. Unlike the much shorter plant life assumed in that feasibility study, an upgraded large plant in operation for 14 years will need additional capital for replacement, refurbishment and major overhauls.

Future Work at Bau Gold Field

Work Going Forward

Exploration Studies

In addition to continuing to expand shallower Resource inventory, stepping out from the already identified footprint of known mineralisation, the following are considered primary exploration targets for future investigation once appropriate funding becomes available.

1. **Jugan-A12:** This represents a probable large SW extension of Jugan Hill deposit and is already well-defined by IP geophysical coverage. Positive scout drilling results could be significant as the Exploration Target in this region is considerable (> 1M oz). Since A12 is thought to be eroded to a deeper level than Jugan Hill, elevated gold grades may be encountered at a shallower depth level (relative to Jugan Hill). Higher grades could significantly bolster commercial outcomes as production modelling is very sensitive to head grade.
2. **Bekajang/Pejiru**: From the up-flow feeder zones previously interpreted from geophysical coverage the best 3 to 5, that is, those having existing drill intercepts, would be subject to systematic step-out drilling appraisal both in terms of depth and laterally. This will prove valuable in establishing proof of concept for these features being associated with both increasing depth related gold grades and simultaneously add to the overall Resource inventory.
3. **BYG:** Deeper drilling within this Tai Parit style environment could add inventory, whilst simultaneously interrogating the deeper section as part of proof of concept that higher-grade mineralization occurs at depth. Importantly, deeper drilling in this location may intersect the Krian Sandstone member that underlies Bau Limestone. Unlike Bau Limestone, Krian Sandstone is highly porous, and is thus thought to potentially constitute a superior, more permeable host, for large-scale, high-grade mineralization, subject to the complexities of silica rich versus auriferous charged fluid flows.
4. Some limited, but selective scout drilling of "high-potential" deeper targets (such as the Sirenggok resistor) will be pursued.

Metallurgical Studies

A review undertaken by Wrightech Engineering and presented to Besra in February 2019 of gold deportment analysis carried out at the AMTEL Advanced Mineral Technology Laboratory in London, Ontario, Canada since 2013, recommended Besra undertake the following laboratory based metallurgical studies.
The objectives of this future laboratory test work will be to confirm gold flotation recoveries and concentrate grades from the various Bau Project deposits.

- Rougher-scavenger flotation tests will continue on Sirenggok to be followed with Pejiru Veins and Breccia, Taiton Veins and Breccia and Julia. Rougher–Scavenger using the larger 5 litre flotation cell will be carried out first based on the most promising recent results. This will be followed with regrinding and a cleaner flotation stage.
- The effect of pulp wt % solids in rougher-scavenger flotation and cleaning stages on gold recovery and flotation concentrate gold grade will be investigated.
- Whole ore cyanide leaching (carbon-in-pulp) will also be carried out to determine if some of the mineral resources/reserves can achieve satisfactory gold extraction without flotation.
- Cyanide leaching of flotation tails will also be done on the deposits that achieved high gold grade flotation concentrate but unsatisfactory gold recovery. Leaching of flotation tails will provide an estimate of overall gold recovery potential.

- For the mineral resources/reserves that produce adequate flotation concentrate grade for follow on treatment, it will be important to determine potential issues such as low sulphur content and/or high carbonate content.

Summary of work completed on Bau up to 2018

Ore Samples & Deportment Test

A mineralized breccia sample from Juala was selected to represent the various type of mineralization in the Bau Goldfields for the gold deportment and flotation test work. The sample was sent together with other samples from other areas to AMTEL Laboratory in Canada.

Juala Sample: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(Wt %)			
Juala (297231)	Breccia	22.0	6.78	0.48	0.40	0.22	0.02

The result shows that the flotation gold recoveries potential is approximately 70%.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297231	Juala	6.78	71	2.3	+9

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

Calcite is the main gangue mineral.

Unmanned Aerial Vehicle (UAV) / Drone Survey for Arong Bakit Area B of ML/04/2012/1D

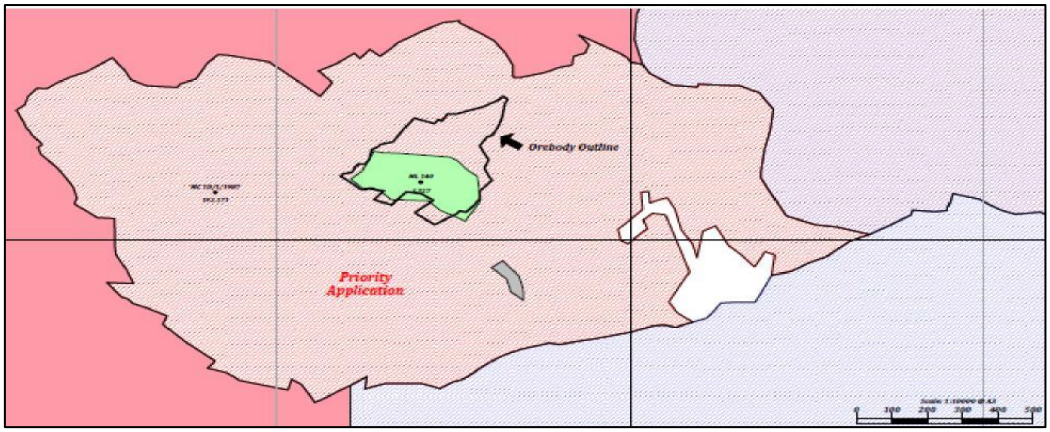
Further to the EMP approval, an Unmanned Aerial Vehicle (UAV) or drone survey has been carried out in Area B of ML/04/2012/1D and completed in February 2018 by Resources Surveys Services of Kuching with the objective of estimating the in-situ (in-place) limestone/marble reserve and acquiring topographic plans for mine planning purposes.

From the UAV volumetric survey, the in-situ limestone/marble reserve estimated from ground level (approximately 10 m above mean sea level) and above within the boundary of Area B of ML/04/2012/1D is about 42,600,000 m^3 or approximately 113,000,000 metric tonnes.

Mining leases: ML/05/2012/1D (ML 140) & ML 01/2013/1D (Jugan & Sirenggok)

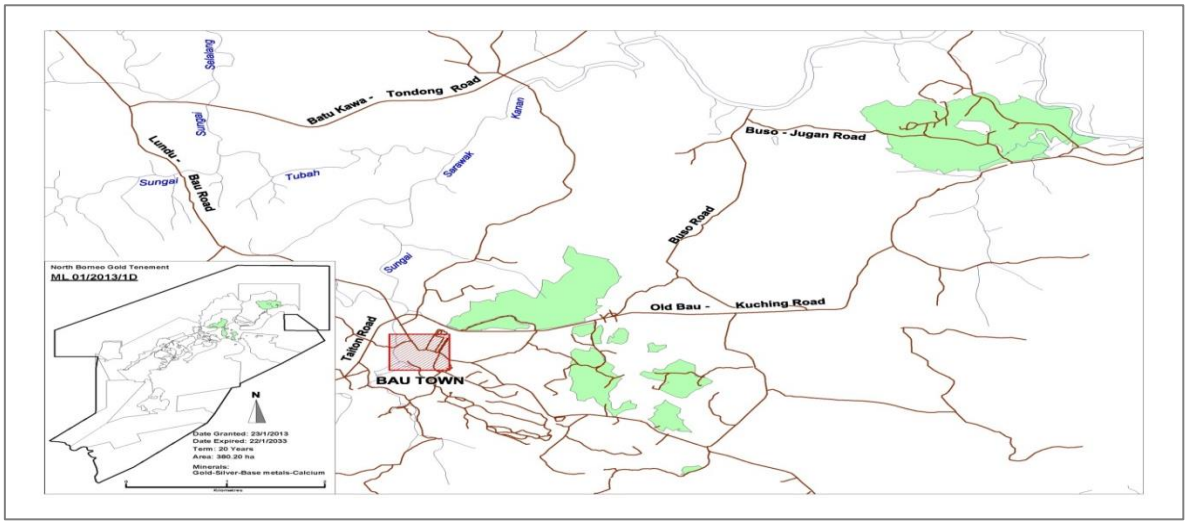
Renewed Mining Lease ML/05/2012/1D (ML 140) (formerly ML 119) is located at Jugan Hill, 6 km's northeast of Bau. It is 5.281 hectares in area and was granted to Gladioli Enterprises Sdn. Bhd. on the 10th January 2005 for a period of twenty years. ML 05/2012/1D (ML140) covers Jugan Hill, which comprises the central portion of the Jugan gold resource.

Tenement Location



Map Showing Detailed Relationship of ML140 with ML 01/2013/1D

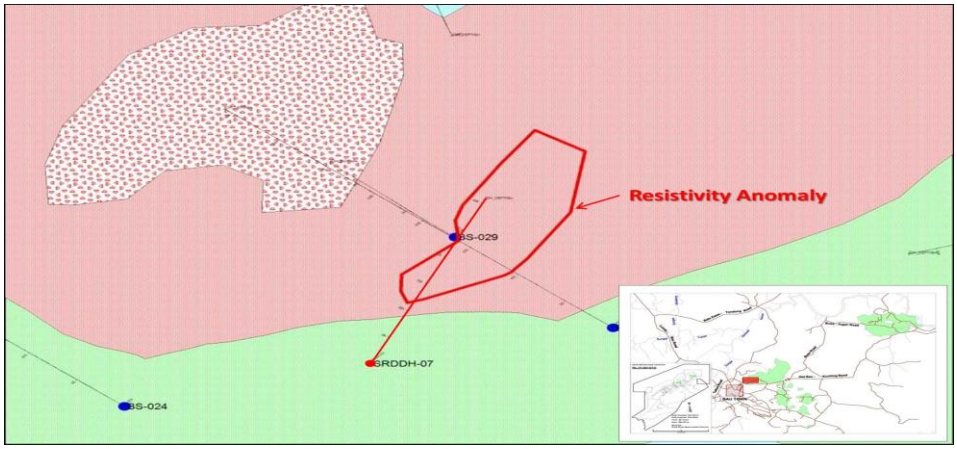
ML 01/2013/1D (formerly MC 1D/1/1987) covers 380.2 Ha, and comprises several discrete, non-contiguous, parts. The northerly part covers an area surrounding ML140 (as shown above) and includes part of the Jugan gold resource. The southern parts cover areas around the SW flank of Sirenggok and to the west of Bau Township. ML 01/2013/1D was granted to Gladioli Enterprises Sdn. Bhd on 23/1/2013 for a period of 20 years.



Location Map Showing the Various Parts of ML 01/2013/1D

Drilling Programme

The proposed 3 diamond drill holes, with a total length of 450 m, to be drilled within the main Sirenggok Prospect, and which aimed to upgrade the existing resources and for fresh metallurgical has not proceeded . Instead 1 (one) exploration drill hole (SRDDH-07) was drilled at the foot of Gunong Sirenggok, targeting a geophysical resistivity anomaly.



Ore Samples & Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. The sample from Jugan represents sedimentary (siltstone-shale) hosted mineralization whereas the Sirenggok sample represents intrusive hosted mineralization.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Jugan and Sirenggok Samples: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(wt %)			
Jugan (297232)	Shale-siltstone	54.1	3.32	1.24	4.10	2.51	0.04
Sirenggok (297230)	Intrusive	26.4	1.65	1.5	0.25	2.03	0.03

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show that the highest flotation gold recoveries potentials (90% +) are with Jugan and Sirenggok.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297232	Jugan	3.32	93	9.8	+0
297231	Sirenggok	1.65	94	3.5	+1

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

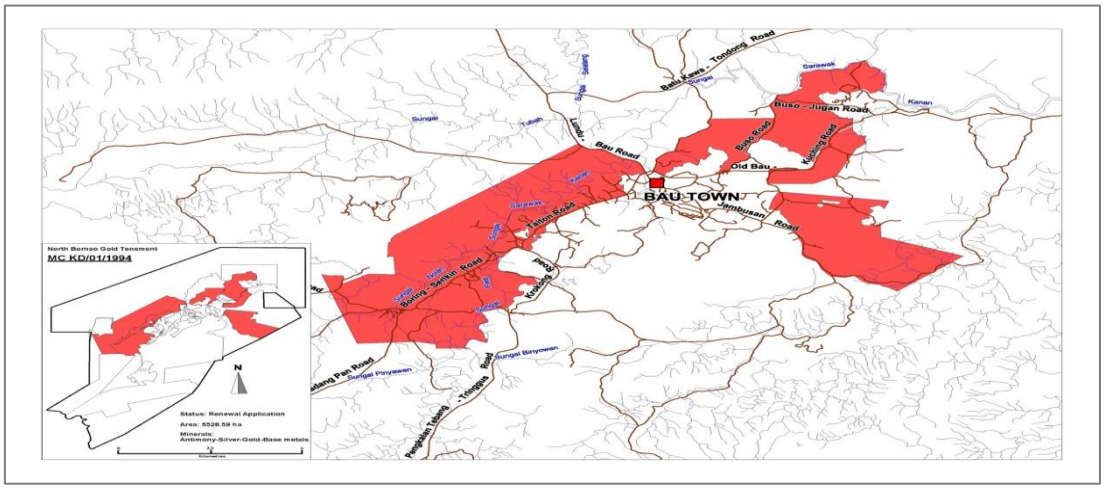
Calcite is the main gangue mineral.

Mining certificate: MC KD/01/1994 (Sirenggok, Jambusan and Pejiru)

Tenement Location

MC KD/01/1994 was granted to Gladioli Enterprises Sdn Bhd on the 27th October 1994 for a period of 20 years. An application for the renewal of MC KD/1/1994 has been submitted to the Authority on 17th October 2013, at least one year prior to the expiry date on 26th October 2014. The Mining Certificate (MC) consists of

three separate, non-contiguous tenement areas that lie within a 10-kilometre radius around the township of Bau. The centre of the tenement is situated 2.2 kilometres north-east of Bau township and the south-western boundary lies only 300 metres from Bau.



Location Map of MC/KD/01/1994, Bau District

Drilling Programme

In 2018 a small drilling campaign for the Bekajang Sector was carried out. A total of 5 diamond drill holes, with a total length of 710.90 m were drilled in the sector, namely in Pejiru and Pejiru Extension prospect. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to upgrade the existing resources and for fresh metallurgical samples.

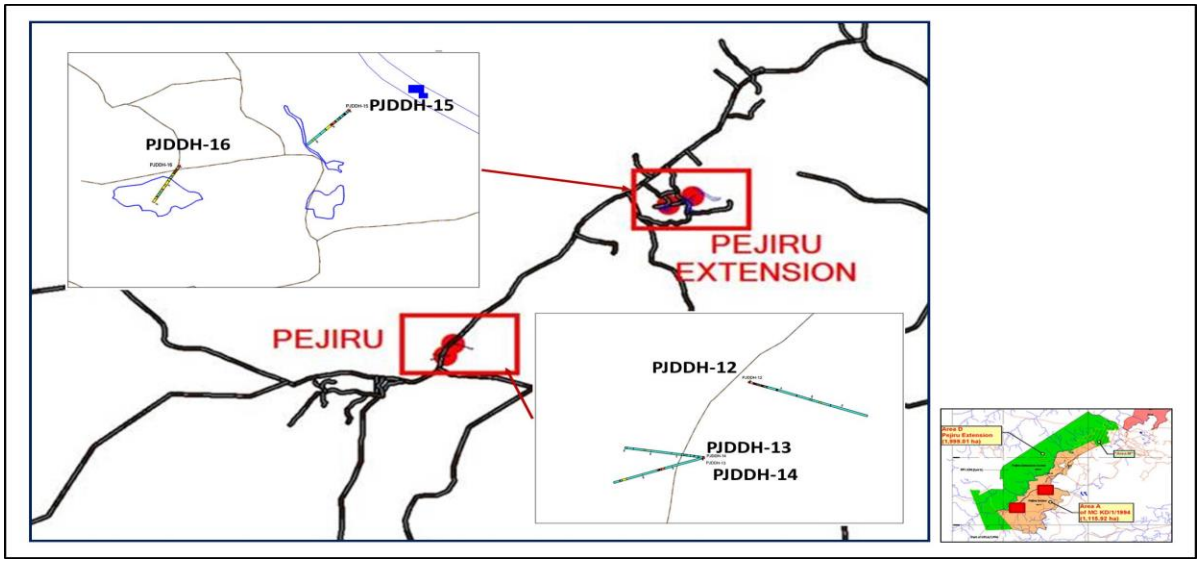
Drilling programme - Pejiru Sector prospect

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Pejiru	Pejiru	3	491.50
	Pejiru Extension	2	219.50
	TOTAL	**5**	**710.90**

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Pejiru Sector - Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)
Pejiru	PJDDH-12	11.00	12.60	1.60	1.41
Pejiru	PJDDH-12	14.50	16.10	1.60	1.76
Pejiru	PJDDH-12	22.60	25.00	2.40	8.74
Pejiru	PJDDH-12	27.30	28.10	0.80	4.01
Pejiru	PJDDH-13	70.10	72.40	2.30	3.55
Pejiru Extension	PJDDH-15	24.40	25.70	1.30	1.47
Pejiru Extension	PJDDH-15	38.00	40.40	2.40	3.18
Pejiru Extension	PJDDH-16	0.00	4.10	4.10	1.62



Plan Showing the Location of the recent Pejiru Sector Drilling

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Two samples representing mineralization in the veins and mineralization in breccia zone were selected from the historical Pejiru drilling/coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Pejiru Samples: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(wt %)			
Pejiru (297228)	Breccia zone	16.0	2.61	0.73	0.89	0.91	0.34
Pejiru (297229)	Calcite (+ quartz) veins	51.4	2.26	0.17	1.41	1.26	0.64

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show flotation gold recoveries for the samples from Pejiru in the range of 50 to 60%. The lower recoveries for Pejiru can be attributed to presence of a large portion of sulphur as sulphate.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297228	Pejiru	2.61	64	3.7	+13

297229	Pejiru	2.26	51	3.4	+24

The general conclusions from the test work in AMTEL are as follows, Calcite is the main gangue mineral:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

Other Mining Certificates

MC 1D/2/1987

This Mining Certificate is still under renewal application and waiting for approval. MC Renewal Application Reference: GE/CM/MC (1D/2/1987)/08/1 dated 15th March 2008

MC 1D/3/1987

This Mining Certificate is still under renewal application and waiting for approval. MC Renewal Application Reference: GE/CM/MC (1D/2/1987)/08/1 dated 15th March 2008

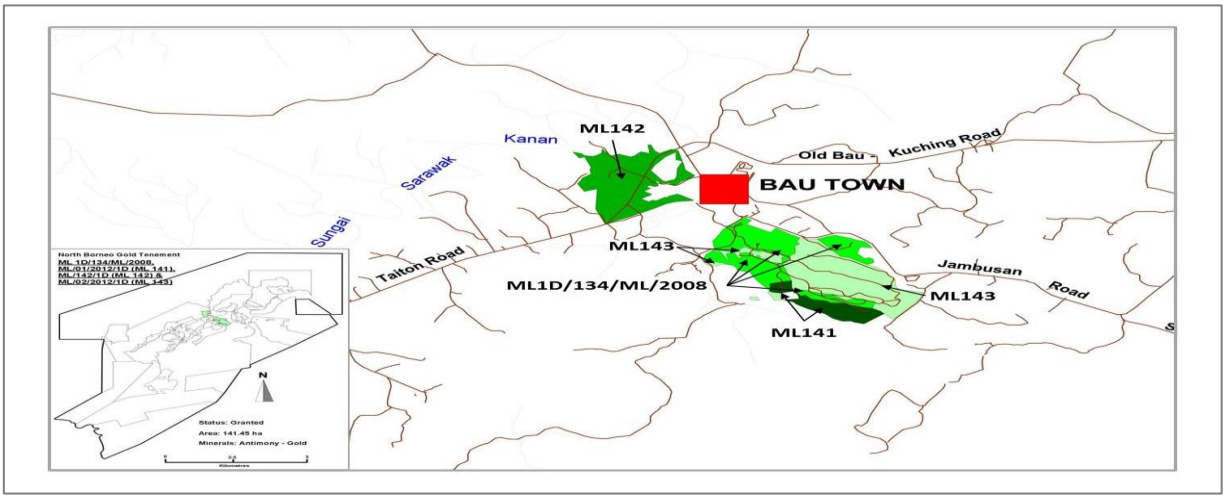
MC SD/1/1987

For the renewal application of MC SD/1/1987, the State Minerals Management Authority (SMMA) approved a new Mining Lease to Gladioli Enterprises Sdn Bhd on 09 October 2012 for a period of 10 years subject to terms and conditions including submission for approval of a Mine Rehabilitation Report, etc., before issuance of the new Mining Lease. An exploration programme is planned for this area.

Mining leases: ML 1D/134/ML/2008 (ML 134), ML/01/2012/1D (ML 141), ML/142/1D (ML 142) & ML/02/2012/1D (ML 143) (Bekajang)

Tenement Location

The four Mining Leases with a combined area of 141.4484 ha held by Bukit Lintang Enterprises Sdn Bhd adjacent to the township of Bau are shown below:



Location map of ML 1D/134/ML/2008 (ML 134), ML/01/2012/1D (ML 141), ML/142/1D (ML 142) and ML/02/2012/1D (ML 143), Bau District

Licence details are as follows:

Bukit Lintang Enterprises Sdn Bhd MLs near Bau Township

LICENSE NO.	AREA	HECTARES
ML 1D/134/ML/2008 (ML 134)	Bukit Young, Bau	40.5
ML/01/2012/1D (ML 141)	Bekajang-Gumbang, Bau	12.735

ML/142/1D (ML 142)	Bau Lama, Bau	38.40
ML/02/2012/1D (ML 143)	Bekajang, Bau	49.034

Re-boxing Old Core Samples & Core Storage Organisation

Re-boxing of old core samples from the previous drilling in Bekajang area resumed during the period. Samples were carefully and systematically transferred from the old wooden boxes to new aluminium trays. This is to preserve and to keep the samples from being destroyed due to the deterioration of the wooden boxes.

This group of four licenses covers an extensive area of gold-prospective geology within a historic mining area near Bau Township.

Resources have now been expanded to a total of 644,500 oz gold and there is excellent potential for further resource expansion.

Further exploration to upgrade and expand resources is planned and it is anticipated that continued exploration will result in significant resource increase from current figures.

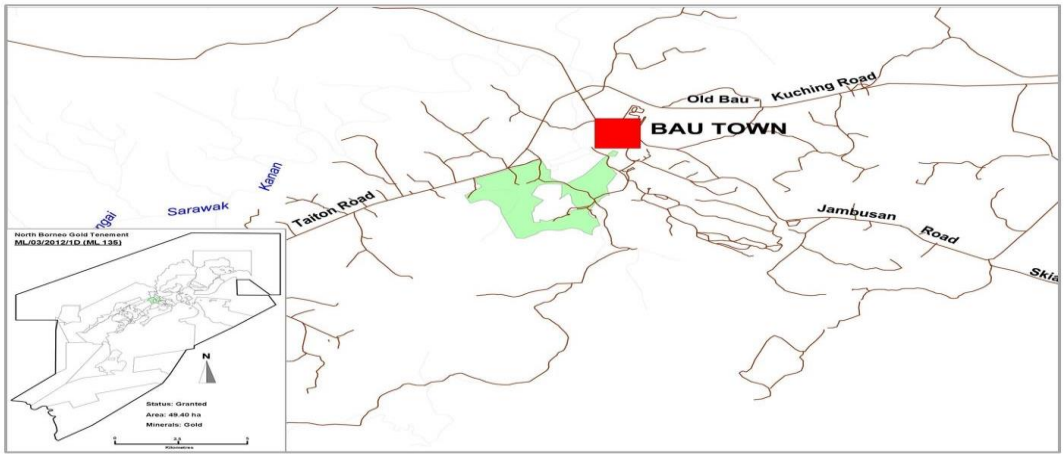
The resource shows excellent potential for eventual mining development. Preliminary mining studies will continue in parallel with future exploration, with definitive feasibility studies to follow.

Mining leases: ML 1D/134/ML/2008, ML/01/2012/1D (ML 141), ML/142/1D (ML 142) & ML/02/2012/1D (ML 143) (Bekajang) show excellent potential to becoming another mine development within the Bau Gold Project, after the antecedent mining development at Jugan Hill.

Mining lease: ML/03/2012/1D (ML 135) (BYG - Tai Parit)

Tenement Location

Renewed Mining Lease ML/03/2012/1D (ML 135) comprising 49.4 hectares in area, is situated one kilometre southwest of Bau. The tenement was granted to Carino Sdn. Bhd. on the 5th March 2004 for a period of twenty years. The tenement surrounds a Freehold Lot that is not covered by any mining or exploration tenement and is excluded from the Mining Lease.



Location map of ML/03/2012/1D (ML 135), Bau District

The tenement lies immediately south and south-west of the old Tai Parit mine pit (now occupied by Tasik Biru), and extends east to cover over half of the previously mined Bukit Young pit.

Drilling Programme

In 2018 a small drilling campaign for the Bekajang Sector was carried out. A total of ten (10) diamond drill holes, with a total length of 1,524.90 m, were drilled in the Bukit Young area and two holes were drilled in the Krian prospect for a total length of 160.20m. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to upgrade the existing resources and to obtain fresh metallurgical samples.

A total of 3 drill holes were completed using the Group's man-portable 'Winkie' drill rig in the Bukit Young area, involving a total of 219.10m. .

Drilling programme - Bekajang Sector prospect.

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Bekajang	Bukit Young (BYG)	10	1,524.90
	Krian	2	160.20
	Bukit Young (BYG) – Winkie rig	3	219.10
	TOTAL	**15**	**1,904.20**

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Bekajang Sector - Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
BYG	BYDDH-43	6.60	6.95	0.35	1.80	
BYG	BYDDH-43	8.00	8.80	0.80	1.83	
BYG	BYDDH-43	14.55	15.75	1.20	1.34	
BYG	BYDDH-43	19.80	20.10	0.30	2.63	
BYG	BYDDH-43	25.00	28.60	3.60	1.00	0.4m @ 2.33 g/t
BYG	BYDDH-43	33.80	43.00	9.20	5.95	1m @ 17.80 g/t, 1m @ 17.20 g/t & 0.4m @ 14.50 g/t
BYG	BYDDH-43	45.55	49.00	3.45	1.50	1m @ 2.89 g/t
BYG	BYDDH-45	10.00	20.30	10.30	1.22	
BYG	BYDDH-45	42.80	49.00	6.20	5.48	Including 1m @ 11.70 g/t & 0.5m @ 17.20 g/t
BYG	BYDDH-46	13.60	15.80	2.20	5.21	
BYG	BYDDH-46	17.60	18.50	0.90	13.60	
BYG	BYDDH-46	90.00	91.00	1.00	3.19	
BYG	BYDDH-46	110.90	112.80	1.90	1.57	
BYG	BYDDH-46	147.00	149.00	2.00	2.85	
BYG	BYDDH-47	63.70	64.50	0.80	3.90	
BYG	BYDDH-47	68.20	72.00	3.80	2.06	including 0.6m @ 8.24 g/t
BYG	BYDDH-47	128.50	135.70	7.20	3.05	including 1m @ 5.68 g/t
BYG	BYDDH-47	150.60	151.90	1.30	1.92	
BYG	BYDDH-48	4.00	6.90	2.90	1.67	
BYG	BYDDH-49	2.40	14.60	12.20	1.99	
BYG	BYDDH-49	50.40	52.20	1.80	0.95	
BYG	BYDDH-49	60.00	64.00	4.00	5.85	1.5m @ 13.1 g/t Au
BYG	BYDDH-50	54.00	54.50	0.50	0.65	
BYG	BYDDH-50	59.00	60.00	1.00	1.02	

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
BYG (Winkie)	BYWDH-02	0.00	2.00	2.00	0.65	
BYG (Winkie)	BYWDH-02	41.60	43.90	2.30	6.11	
BYG (Winkie)	BYWDH-03	0.00	8.60	8.60	1.85	
Krian	KRDDH-02	23.50	24.90	1.40	0.76	
Krian	KRDDH-02	31.30	31.70	0.40	1.59	

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Three samples representing mineralization in the jasperoid, mineralization in breccia zone and representing the sediment hosted (Krian sandstone) mineralization were selected from the historical Bukit Young (BYG) drill coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. The results show flotation gold recoveries for the samples from BYG in the range of 40 to 65%. Further flotation and grinding tests will be carried out in the future and to determine the best parameters to improve the recoveries.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297207	BYG (Jasperoid)	10.85	41	2.8	+8
297208	BYG (Breccia)	5.05	48	1.1	+8
297209	BYG (Sandstone)	1.89	65	5.1	+11

The general conclusions from the test work in AMTEL are as follows:

i. Gold occurs primarily in two forms: sub-microscopic and native gold.

ii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

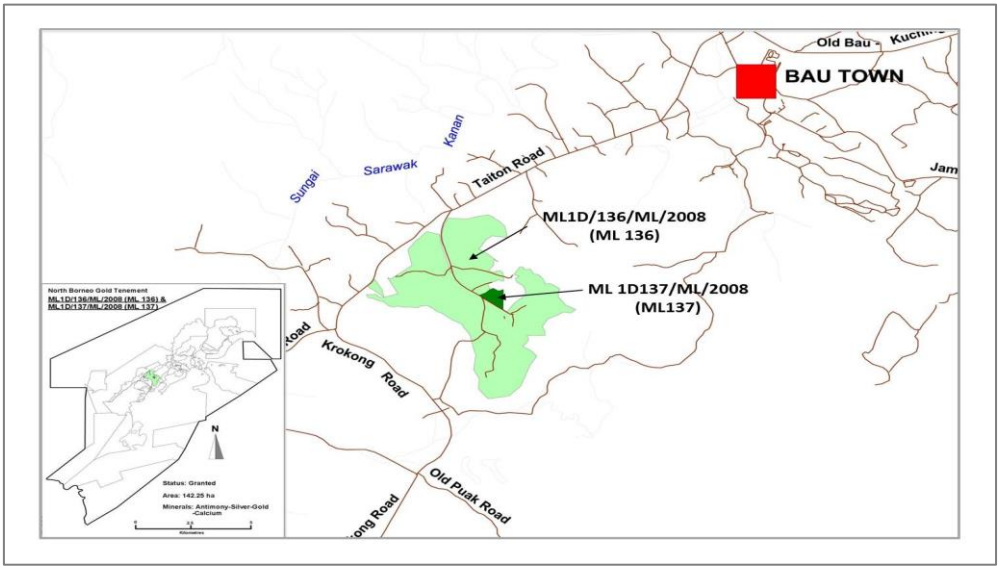
iii. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

iv. Calcite is the main gangue mineral.

Mining leases: ML 1D/136/ML/2008 (ML 136) & ML 1D/137/ML/2008 (ML 137) (Taiton)

Tenement Location

Renewed Mining Leases ML 1D/136/ML/2008 (ML 136) (formerly ML 108) and ML 1D/137/ML/2008 (ML 137) (formerly ML 123) owned by Priority Trading Sdn Bhd are located in the Tai Ton area 2.5 km southwest of Bau.



Location Map of ML 1D/136/ML/2008 (ML 136) and ML 1D137/ML/2008 (ML 137), Taiton , Bau District

Mining lease ML136 is 139.6 hectares in area and was granted to Priority Trading Sdn. Bhd on the 19th July 2003. Mining lease ML 1D137/ML/2008 is 2.60 ha in area was granted to Priority Trading Sdn. Bhd on the 23th June 2004. Both leases were granted for a period of twenty years. The two leases have common boundaries and are reported together here because they are contiguous and ML 1D137/ML/2008 is comparatively small.

Exploration Drilling

In 2018 a small drilling campaign in the Taiton B prospect was carried out. A total of three (3) diamond drill holes, with a total length of 426.50 m, were drilled in area. The drilling was conducted by a drilling contractor; Indodrill (Malaysia) Sdn. Bhd., utilizing a track mounted ID500 diamond drill rig.

The objective of the drilling campaign was to test the extension of the gold mineralization at depth, under the existing underground tunnel.

Drilling programme - Taiton Sector.

Sector	Sub-Project Area	No. of Drill Holes	Metres (m)
Taiton	Taiton B	3	426.50
	TOTAL	3	426.50

Some significant Au zones were intersected during the drilling programme and shown in the table below. The drilling location is shown in the following figure.

Taiton B - Drilling Significant Intersections

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
Taiton B	TTDDH-79	69.00	69.90	0.90	4.28	
Taiton B	TTDDH-79	70.60	74.60	4.00	1.66	
Taiton B	TTDDH-79	75.90	79.40	3.50	1.95	1.4m @ 3.13 g/t Au
Taiton B	TTDDH-79	80.70	81.40	0.70	4.52	

LOCATION	HOLE ID	FROM (m)	TO (m)	LENGTH (m)	AU (g/t)	INCLUDING
Taiton B	TTDDH-79	82.30	84.10	1.80	3.01	1.0m @ 4.55 g/t Au
Taiton B	TTDDH-80	50.80	51.60	0.80	1.01	
Taiton B	TTDDH-80	59.30	60.00	0.70	1.75	
Taiton B	TTDDH-80	63.20	63.50	0.30	1.64	
Taiton B	TTDDH-80	143.50	143.90	0.40	1.45	
Taiton B	TTDDH-81	1.90	7.30	5.40	1.14	
Taiton B	TTDDH-81	126.10	128.10	2.00	1.86	
Taiton B	TTDDH-81	130.10	131.50	1.40	0.78	
Taiton B	TTDDH-81	137.90	142.80	4.90	0.63	
Taiton B	TTDDH-81	145.80	148.80	3.00	0.84	

Ore Samples & Gold Deportment Test

Samples from the various Bau gold deposits were composited from existing drill core rejects for the gold deportment and flotation test work. All samples were submitted to the AMTEL Laboratory in Canada. These samples were selected to represent the various lithologies in the ore deposits. Two samples representing mineralization in the breccia zone and veins were selected from the historical Taiton drill coarse rejects.

Gold deportment analysis consists of the identification and independent quantification of each form and carrier of gold from a gravity/flotation/direct CN-leach perspective, using a comprehensive mineralogical and analytical approach involving several analytical techniques: assaying, Q-XRD coupled with XRF to determine the general mineralogical composition of the samples, ore microscopy to identify and characterize gold minerals by grain size and association; SEM/EDX to determine the composition of gold grains and more specifically the Ag concentration and SIMS to quantify the sub-microscopic gold content of pyrite and arsenopyrite.

Taiton Samples: Gold Deportment

Sample ID	Sample Lithology	Weight	Au	As	Fe	Stot	SSO4=
		(Kg)	(g/t)	(wt %)			
Taiton (297226)	Breccia	22.0	1.47	0.06	0.28	0.11	0.01
Taiton (297227)	Veins	12.8	2.96	0.15	0.25	0.02	0.01

Based on the gold deportment results, AMTEL has estimated the gold flotation recoveries potential, the minimum mass pulls in flotation and the maximized gold recovery based on additional leaching of the flotation tailings. Despite the low sulphide content of Taiton, AMTEL estimates that 55 to 62 % of the gold can be recovered into a flotation concentrate. Further flotation and grinding tests will be carried out in the future and to determine the best parameters to improve the recoveries.

Predicted Flotation Gold recoveries and Mass Pull

Sample No.	Locality	Au (g/t)	Flotation		Maximization
			Recoveries (%)	Mass Pull (%)	
297226	Taiton (Breccia)	1.47	62	0.4	+22
297227	Taiton (Veins)	2.96	55	0.3	+39

i. The general conclusions from the test work in AMTEL are as follows:

ii. Gold occurs primarily in two forms: sub-microscopic and native gold.

iii. Sub-microscopic Au (which is refractory to direct CN leach) concentrates preferentially in arsenopyrite and to a lesser degree in pyrite.

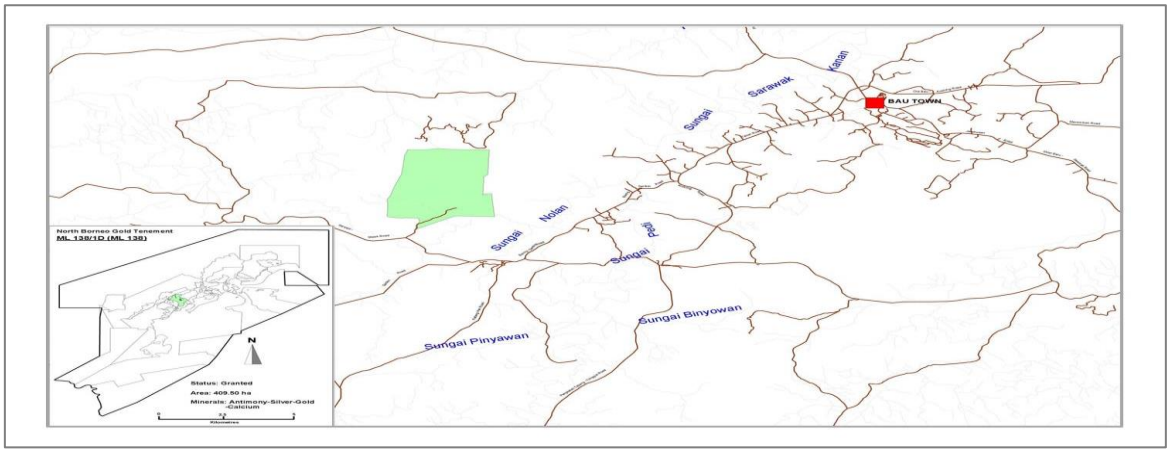
iv. Strong enrichment of gold in fine grained arsenopyrite, which is finely disseminated in composite and rock mineral particles.

v. Calcite is the main gangue mineral.

Mining lease: ML 138/1D (ML 138)

Tenement Location

Mining Lease ML 138/1D (ML 138) (Previously ML 125) is located 8 kilometres west southwest of Bau. The tenement is 409.5 hectares in area and was granted to Buroi Mining Sdn. Bhd. on the 20th November 2005 for a period of 20 years.



Location Map of ML 138/1D (ML 138), Bau District

The topography within the tenement generally consists of low altitude terrain, the south-eastern part of which is an extensive depressed area occupied by a wetland utilised for wet-rice cultivation. Sparsely scattered limestone pinnacles up to 50 metres in diameter and 10 metres high crop out within the southern half. The topographically depressed southern area of ML 138/1D (ML 138) is surrounded by low hills composed of shale and minor sandstone.

Work Conducted During 2018

There was no fieldwork conducted in the area during the period. The capturing and compiling all exploration data (mapping) resumed including cross checking of the digital data with the original information.

Summary of Quarterly results

The Group is not currently a compliant reporting issuer and has not prepared financial statements on a quarterly basis.

Liquidity & Capital Resources

Working Capital:

	30 June 2019	30 June 2018
Cash and Cash Equivalents	22,467	73,003
Tax and Other Receivables	3,337	62,857
Prepayments	7,486	7,529
Derivative Liability	(8,599,174)	(2,420,699)

Trade and Other Payables	(5,083,028)	(2,687,850)
Loans and Borrowings	(1,433,637)	(592,918)
Net working Capital	(15,082,550)	(5,558,078)

As the Group is still in the exploration and evaluation phase. No exploration work was done in 2019. no source of income, the recoverability of the costs incurred is dependent on proving the economic recoverability of gold reserves and the ability of the Group to obtain necessary funding to continue to finance the project.

As at 30 June 2019 net working capital was negative $15,082,550. The change from 2018 is largely attributable to the impact of the revaluation of the derivative liability, which arises on the methodology adopted in the valuation of its financial liabilities.

The Group requires further funding to continue the project. Management's focus in the year ended June 2019, focused mostly on capital raisings to fund its working capital and the costs of further exploration and evaluation of Bau.

However, no assurance can be given that the capital required can be raised on terms acceptable to the Group to continue to fund the project and this may cause a significant doubt about the Group's ability to continue as a going concern.

Related Party Disclosure

Transactions with related parties are conducted on reasonable commercial terms and approved by non-interested members of Besra's board.

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

Name	% Equity Held as at:	
	30 June 2019	30 June 2018
Besra NZ Ltd	100	100
Besra Labuan Ltd	100	100
North Borneo Gold Sdn Bhd	87.06	87.06
Bau Mining Co. Ltd	91	91

Related party balances

Ultimate Parent:

	30 June 2019	30 June 2018
Derivative liability	7,064,016	1,855,720
Interest	-	-
Financing charges	(1,424,245)	-

The amounts disclosed in the table are the amounts recognized during the reporting period related to the ultimate parent, Pangaea Holdings Limited ('Pangaea').

Key Management:

	30 June 2019	30 June 2018
Management fees and salary expense	590,182	391,012
Management Fees Payable	1,005,840	292,968

Entities with Common Directors Who Have Significant Influence**:**

	30 June 2019	30 June 2018
Consultancy fees expense	(125,827)	(141,950)
Interest-bearing loan	100,000	40,701
Derivative liability	1,535,156	564,979
Interest	(27,219)	-
Consultancy fees payable	189,041	130,516

The amounts disclosed in the table are the amounts recognized during the reporting period related to InCor Limited ('InCor') as the entity has Common Directors who are deemed to have a significant influence over the Group.

Companies Controlled by Management

Management compensation incurred on behalf of the Group were paid to companies controlled by officers of the Group. The companies that were paid for management compensation include the following:

Group name	*Name*	*Position*
Jura Trust Limited	John Seton	Chief Executive Officer
Meridian Corporate Advisory Pty Ltd	John Glen	Chief Financial Officer

Incor Holdings Limited is a public Group of which Ms Jocelyn Bennett is a director. InCoR Holdings Ltd also made a short-term loan to the issuer during the period at an interest rate of 12% per annum.

Pangaea Holdings Limited, a provider of secured and unsecured lending to Besra is a related party of the issuer due to Ms Jocelyn Bennett and Mr John Terry being directors of both the issuer and Pangaea.

Management Services Agreements

The Group has entered into a management services agreement or employment agreement (each an "Executive Agreement"), as the case may be, with each of its senior executive officers (each, an "Executive") that provide for specific benefits in the event that executive's employment is terminated voluntarily by the Executive upon notice to the Group or a material change in the Executive's responsibilities or by the Group with cause or upon notice. A summary of these benefits follows.

Termination

Pursuant to the Executive Agreements, the Group is required to make certain payments upon termination (whether voluntary, involuntary, or constructive), resignation or retirement or upon a change in the Executive's responsibilities, as applicable. An estimate of the amount of these payments assuming that the triggering event giving rise to such payments occurred on June 30, 2018, these figures are unchanged as at June 30, 2019, is set out in the table below and is more fully described in the section that follows:

Triggering Event		Executive Resignation or Retirement	Termination without Cause, Material Change in Responsibilities
John Seton	Nil	C$687,505	C$687,505 (1)
John Glen	Nil	C$112,500	C$112,500 (2)

(1) equivalent to 30 months' salary

(2) equivalent to 6 months' salary

Contractual Commitments

As at 30 June 2019, the balance of commitments in respect of the acquisition of a further interest in North Borneo Gold Sdn Bhd (NBG) at 30 June 2019 are payments totalling $4,212,439 and shares to a value of $1,541,200 (2018: payments totalling $4,212,439 and shares to a value of $1,541,200).

All other commitments in respect of the Convertible Notes and Other Borrowing are expected to be dealt with in FY 2020 as part of the Group's capital raising plans, which include an IPO on the Australian Stock Exchange in 2020.

Disclosure Controls & Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Group.

Based on an evaluation of the Group's disclosure controls and procedures as of the end period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Readers are cautioned that the Group is not required to certify the design and evaluation of its disclosure controls and procedures and internal controls over financial reporting and has not completed such an evaluation.

The inherent limitations on the ability of the Group's certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Group may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Management and Disclosure

Readers of the MD&A are encouraged to read the "Risk Factors and Uncertainties" as described in the Group's filings with the Canadian Securities Administrators. It is also included in the Audited Financial Statements for the year 30 June 2019.

The nature of the Group's operations exposes the Group to credit risk, liquidity risk, market risk and geopolitical risk, which may have a material effect on cash flows, operations and comprehensive income.

The Group's risk management policies and procedures are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and to monitor market conditions and the Group's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and policies.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Group to credit risk consist primarily of cash and accounts receivable.

The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Group reduces its credit risk by maintaining its bank accounts at large financial institutions. Accounts receivable consists of amounts receivable from the Canadian federal government for the refundable GST amounts. The Group assess the collectability and fair value of this receivable at each reporting period.

Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due. All of the Group's financial liabilities are classified as current and are anticipated to mature within the next fiscal year.

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. See also Note 3 in the Besra's financial statements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Group is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on the Group's cash is minimal.

Foreign exchange risk

The Group currently operates in Malaysia. The Group could accordingly be at risk for foreign currency fluctuations.

Geopolitical risk

The Group has all of its properties located in 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 cannot rely on western legal standards in defending or advancing its interests.

Industry risk

The Group is engaged in the acquisition 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.

Gold and metal 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.

Trends

Continued strength in the US dollar, decreasing oil prices and the stable gold price increases demand, especially from Asia, and perception of increased risk in major financial markets has supported a discernible need for the development of commodity exploration projects. Companies, like Besra Gold Inc, are key participants in identifying properties of merit to explore and develop.

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.

Funding Risk

The Group is dependent upon its ability to raise funds in order to carry out its business. Exploration and development involve significant financial risk and capital investment.

The operations and expansion plans for the Group may also result in increases in capital expenditures and commitments. The Group may require additional funding to expand its business and may require additional capital in the future for, among other things, the development of the Bau Gold Project. No assurance can be given that such capital will be available, or if available on terms acceptable to the Group.

The Group may be required to seek funding from third parties if available credit facilities are insufficient to finance these activities. In the event that the Group is unable to obtain adequate financing on acceptable terms, or at all, to satisfy its operating, development and expansion plans, its business may be materially and adversely affected.

The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions, the availability of funds from lenders and/or investors, and other factors relating to the Group's properties and operations.

Debt Risk

The Group has debt and may be unable to service or refinance its debt, which could have negative consequences on the Group's business, or adversely affect its ability to fulfil its obligations under its debt and may place the Group at a competitive disadvantage relative to its industry cohorts.

The Group has indebtedness in the form of convertible notes ("Convertible Notes"), both secured and unsecured.

The existence of this debt could have negative consequences for the Group. For example, it could:

- increase the Group's vulnerability to adverse industry and general economic conditions;
- require the Group to dedicate a material portion of operating capital to make scheduled principal or interest payments on the debt, thereby reducing the availability of its cash flow for working capital, capital investments and other business activities;
- limit the Group's ability to obtain additional financing to fund future working capital, capital investments and other business activities;
- limit the Group's flexibility to plan for, and react to, changes in its business and industry; and
- place the Group at a competitive disadvantage relative to less leveraged competitors.

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 precious metals, 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 may be issued in the future, 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.

Other Financial Matters

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 Shares

As at 30 June 2019 the Group had issued and outstanding 1,204,892,898 shares (June 30, 2018: 1,204,892,898).

Subsequent to 30 June 2019 the Group did not buy back or cancel any shares.

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 Financial Statements for the year ending 30 June 2019.

Accounting Policies

The accounting policies and methods of computation are described in the Audited Financial Statements for the year 30 June 2019.

Changes in Accounting Policies

The Group has reviewed new and revised accounting pronouncements that have been issued. The changes to accounting policies are described in the Audited Financial Statements for the year 30 June 2019.

Use of and reliance on experts

The resource figures for the Bau Gold Property have been prepared by Mr Kevin Wright who is a Fellow of the Institute of Materials, Minerals and Mining (FIMMM) and a “Qualified Person” as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and is also a “Competent Person”, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” the JORC Code).

Mr Wright was a full-time consultant to the Group and was not “independent” within the meaning of National Instrument 43-101. Mr Wright consents to the inclusion in this report of the information that he has compiled in relation to the Bau Gold Property, in the form and context in which it appears.

The Group also used independent experts in the valuation and analysis the loan liabilities (i.e. the Convertible Notes). The methodology used by these independent experts is described above, 'Loan Liabilities valuation and analysis" under the section headed, Summary of Operations and Outlook. This is also dealt with in Note 3 of the Group's 2019 Consolidated Financial Statements

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements made and information contained herein is "Forward-looking information" within the meaning of applicable securities laws, including statements concerning our plans at exploration projects, which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, failure to establish estimated resources or to convert resources to mineable reserves; the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; delays in obtaining or failure to obtain required governmental, environmental, or other project approvals; changes in national and local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment; political or economic instability; terrorism; inflation; changes in currency exchange rates; fluctuations in commodity prices; delays in the development of projects; shortage of personnel with the requisite knowledge and skills to design and execute exploration and development programs; difficulties in arranging contracts for drilling and other exploration and development services; dependency on equity market financings to fund programs and maintain and develop mineral properties; and risks associated with title to resource properties due to the difficulties of determining the validity of certain claims and other risks and uncertainties, including those described in each management's discussion and analysis released by the Group.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; the assumed long-term price of gold; the availability of permits and surface rights; access to financing, equipment and labour and that the political environment in the jurisdictions within which the Group operates will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

Cautionary note regarding preparation of Mineral Reserves and Resources

This MD&A uses the terms "reserves" and "resources" and derivations thereof.

These terms have the meanings set forth in Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining, Metallurgy and Petroleum's Classification System (CIM Standards) and the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" the JORC Code). NI 43-101 and CIM Standards differ significantly from the requirements of the United States Securities and Exchange Commission (the SEC). Under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that is part of a mineral deposit, which could be economically and legally extracted or produced at the time of the reserve determination".

In addition, the term "resource", which does not equate to the term "reserve", is not recognized by the SEC and the SEC's disclosure standards normally do not permit the inclusion of information concerning resources in documents filed with the SEC, unless such information is required to be disclosed by the law of the Group's jurisdiction of incorporation or of a jurisdiction in which its securities are traded. Accordingly, information concerning descriptions of mineralization and resources contained in this Management's Discussion and Analysis may not be comparable to information made public by US domestic companies subject to the reporting and disclosure requirements of the SEC.

Cautionary note regarding placing undue reliance

Readers are advised not to place undue reliance on forward-looking statements, which speak only as of the date they are made. Except as required under applicable securities legislation, the Group undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

Oversight of the external auditor

Besra's Audit Committee has deemed the Group's external auditors to be appropriately experienced and qualified in the relevant jurisdictions, they have reported in line with the timetable. There has been no interference from Besra management that could affect their independence.

Informal discussions between the Audit Committee and the auditors are maintained.

Approval of the MD&A

This MD&A has been prepared by management with an effective date of 7th February 2020.

The MD&A and the Consolidated Financial Statements were approved by the Board of Directors of the Group