BESRA GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

(In United States dollars)

(Unaudited)

NOTICE TO THE READER

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements have not been reviewed by the Company's auditors.

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Financial Position

in USD	Notes(s)	As at 30 September 2019	As at 30 June 2019
ASSETS			
Current			
Cash and cash equivalents		134,237	22,467
Tax and other receivables		3,337	3,337
Prepaid expenses		7,486	7,486
		145,060	**33,289**
Non-current			
Property plant and equipment		41,704	47,204
Exploration & evaluation	4	17,506,422	17,506,422
		17,548,126	**17,553,626**
TOTAL ASSETS		**17,693,186**	**17,586,915**
LIABILITIES			
Current			
Trade and other payables	5	5,371,231	5,083,028
Loans and borrowing	6	1,602,697	1,433,637
Derivative liability	7	8,501,850	8,599,174
		15,475,778	**15,115,839**
Non-current			
Derivative liability	7	2,387,677	2,415,009
		2,387,677	**2,415,009**
TOTAL LIABILITIES		**17,863,455**	**17,530,848**
EQUITY			
Issued capital	9	141,517,358	141,517,358
Reserves		(20,563,257)	(20,563,257)
Deficit		(119,726,230)	(119,499,894)
		1,227,871	1,454,207
Non-controlling interest		(1,398,140)	(1,398,140)
TOTAL EQUITY		**(170,269)**	**56,067**
TOTAL LIABILITIES AND EQUITY		**17,693,186**	**17,586,915**

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

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

in USD	Notes	Three Months to 30 September 2019	Three Months to 30 September 2018
Revenue		-	-
Corporate and administrative expense		(345,492)	(398,412)
Exploration expense		-	(5,479)
Derivative fair value revaluation		124,656	-
Depreciation and amortization		(5,500)	(665)
Finance charges	10	-	(1,274,769)
(LOSS) BEFORE INCOME TAX		**(226,336)**	**(1,679,325)**
Income tax (expense recovery	8	-	147,961
NET (LOSS) FOR THE YEAR		**(226,336)**	**(1,531,364)**
COMPREHENSIVE (LOSS) FOR THE YEAR		**(226,336)**	**(1,531,364)**
Total comprehensive (loss) for the year attributable to:			
Shareholders of the parent		(226,336)	(1,519,608)
Non-controlling interests		-	(11,756)
Basic (loss) per share	11	(0.000)	(0.001)
Diluted (loss) per share	11	(0.000)	(0.001)

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

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Cash Flows

in USD	Notes(s)	Three Months Ended 30 September 2019	Three Months Ended 30 September 2018
OPERATING ACTIVITES			
Total Comprehensive (loss) for the period		(226,336)	(1,531,364)
Items not affecting Cash			
Depreciation & amortization		5,500	665
Deferred income tax		-	(147,961)
Interest on loans		-	567,046
Unrealised foreign exchange		-	804,388
Derivative revaluation		(124,656)	(47,148)
Changes in non-cash working capital balances			
Trade and other receivables and other financial assets		-	30,787
Trade and other payables		288,202	5,315
Cash used in operating activities		**(57,290)**	**(318,272)**
INVESTING ACTIVITIES			
Exploration and evaluation costs		-	(85,029)
Cash used in investing activities		**-**	**(85,029)**
FINANCING ACTIVITIES			
Proceeds from financing loan	12	169,060	364,482
Cash provided by financing activities		**169,060**	**364,482**
Increase (Decrease) in cash during the period		111,770	(38,700)
Cash - beginning of the period		**22,467**	**73,003**
Effect of foreign exchange rate changes on cash		-	119
Cash - end of the period		**134,237**	**34,303**

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

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Changes in Equity

in USD	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
Balance at 1 July 2019	**141,517,358**	**(20,563,257)**	**(119,499,894)**	**(1,398,140)**	**56,067**
(Loss) for the period			(226,336)	-	(226,336)
Total comprehensive (loss)	-	-	(226,336)	-	(226,336)
Balance at 30 September 2019	**141,517,358**	**(20,563,257)**	**(119,726,230)**	**(1,398,140)**	**(170,269)**
Balance at 1 July 2017	**141,517,358**	**(20,563,257)**	**(128,088,573)**	**2,238,656**	**(4,895,816)**
(Loss) for the period	-	-	(1,519,608)	(11,756)	(1,531,364)
Total comprehensive (loss)	-	-	(1,519,608)	(11,756)	(1,531,364)
Balance at 30 September 2018	**141,517,358**	**(20,563,257)**	**(129,608,181)**	**2,226,900**	**(6,427,180)**

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

1. Background and Nature of Business

During the financial years ended 30 June 2018 and 2019 and the 3 months ended 30 September 2019, the business of Besra Gold Inc. and subsidiaries ('Besra' or 'the Company') consisted of a sole feasibility stage project in East Malaysia, being the Bau Gold Project ('Bau').

The 30 September 2019 financial statements for Besra Gold Inc. are the consolidated operations of Besra Gold Inc.

2. General Information & Statement of Compliance

Besra Gold Inc is the ultimate parent company, and it is a limited liability company incorporated in Canada. Its registered office is 67 Yonge St, Suite 701, Toronto, Ontario, Canada and principal place of business is located at Level 1, 63 Fort St, Auckland, New Zealand.

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") appropriate for interim statements as at and for the period ended 30 September 2019 and have been applied consistently for all the periods presented, unless otherwise stated.

These financial statements do not include all the information required for full annual financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended 30 June 2019.

3. Basis of Preparation & Significant Accounting Policies

Basis of Preparation

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

Going Concern

These interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. These interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these interim consolidated financial statements, then adjustments to the carrying values of assets and liabilities would be necessary.

Basis of Consolidation

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

Company Name	Jurisdiction	Ownership % 30 Sep 2018	Ownership % 30 Jun 2018
Besra NZ Limited (formerly OYM NZ Limited)	New Zealand	100	100
North Borneo Gold Sdn Bhd	Malaysia	87.06	87.06
Bau Mining Co Ltd	Samoa	91	91
Besra Labuan Ltd (formerly Olympus Pacific Minerals Labuan Limited)	Malaysia	100	100

Significant Accounting Policies

The accounting policies adopted by the Company as set out in the audited consolidated financial statements for the years ended 30 June 2019 and 2018 have been applied consistently to all periods presented in these interim consolidated financial statements. No additional significant accounting policies have been adopted in the current period.

Significant Judgements, Estimates & Assumptions

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

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

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

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

Judgements:

- The assessment of the Group's ability to continue as a going concern and whether there are events or conditions that may give rise to material uncertainty.
- Determination of functional currency of entities within the Group. Determining the appropriate functional currencies for each entity in the Group requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence financing, labour, materials, and other costs of providing goods or services.

Estimates:

- Assessment of whether exploration and evaluation intangible asset is impaired. The future recoverability of the exploration and evaluation asset is dependent on a number of key factors such as gold price and determination of reserves. As the Group is only in the exploration phase of operations the directors have used the fair value less costs to sell method to test the exploration and evaluation asset for impairment. Fair value is estimated based on an associated enterprise value per resource ounce multiple methodology for relevant comparable companies in conjunction with an independent market assessment of the company as a whole. The fair value methodology adopted is categorised as Level 2 in the fair value hierarchy. This also involved performing an impairment test determining the recoverable amount of the asset at its fair value less costs to sell, relying on advice from an independent party which concluded an Enterprise Value (EV) of the Company at 30 June 2019 based on a pre-IPO valuation. This opinion was based on the value of the asset on an EV per ounce basis discounted for their assessment of the sovereign risk-taking and the likely institutional market uptake of the IPO offering and takes into account pre-IPO funding arranged by the Company. The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset

- Fair value determination of financial instruments carried at fair value. Derivative financial instruments are recorded in the Consolidated Statement of Financial Position at values that are representative of or approximate their fair value. The fair value of derivatives requires application of the most appropriate valuation model which is dependent on the terms and conditions of the instrument. The liabilities were valued using an income approach to calculate the fair value which incorporates both the timing and risk of receiving the expected payoff amounts. The valuation used estimates to determine the possible future outcomes, the timing and expected proceeds, with the expected proceeds discounted using a risk-adjusted discount rate with the resulting present value probability weighted to arrive at the fair value. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

4. Exploration & Evaluation

in USD	3 Months Ended 30 September 2019	Year Ended 30 June 2019
Opening Balance	17,506,422	50,771,582
Additions	-	4,840
Impairment	-	(33,270,000)
Closing Balance	**17,506,422**	**17,506,422**
Cost	50,776,422	50,776,422
Accumulated impairment	(33,270,000)	(33,270,000)
Closing Balance	**17,506,422**	**17,506,422**

The exploration and evaluation asset is entirely comprised of the Bau Gold Project, a brown-field project, spread over a large geographic area.

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

A revised acquisition agreement was renegotiated in November 2016 with regard to Bau.

The Bau Gold Project comprises consolidated mining and exploration tenements that collectively cover more than 1,340km^2. A feasibility study for Stage 1 of the Bau Gold Project in East Malaysia was completed in the financial year ended 30 June 2014.

A potential impairment occasioned by the potential revocation of four MLs to facilitate the establishment of the Dered Krian National Park (“Park”) has a near-term adverse impact upon the Bau project, however the bulk of the resources and reserve reduction remain external to the Park, so much of these potential reductions will be preserved under an excision proposal or new tenement applications if required.

During the last financial year the Directors examined the viability of relisting the Company on a stock exchange and during this process it became clear that it was not possible for the Company to achieve the previous valuation outcomes. The Directors therefore have performed an impairment test and determined the recoverable amount of the asset at its fair value less costs to sell, relying on advice from an independent party which concluded that the Enterprise Value (EV) of the Company at 30 June 2019 based on a pre-IPO valuation is $17.5 million. This opinion was based on the value of the asset on an EV per ounce basis discounted for their assessment of the sovereign risk-taking and the likely institutional market uptake of the IPO offering and takes into account pre-IPO funding arranged by the Company, and the proposed raising of $5.6 - $7.0 million as part of an IPO that involves the Company re-listing on the ASX that should take place prior to 30 June 2020. This process ascribed an asset value of $17.5 million on a debt free basis. Any change in the IPO pricing will result in a corresponding direct change in the underlying asset value. As a result, the Directors have concluded that it was necessary for the Group 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.

5. Trade & Other Payables

in USD	As at 30 September 2019	As at 30 June 2019
Trade payables	2,729,813	2,711,582
Taxes and government fees	29,957	29,957
Accruals and other payables	2,611,461	2,341,489
Total	**5,371,231**	**5,083,028**

6. Loans & Borrowings

in USD	As at 30 September 2019	As at 30 June 2019
Current Liabilities		
Other current indebtedness (unsecured)	1,602,697	1,433,637
Total	**1,602,697**	**1,433,637**

7. Derivative Liabilities

in USD	As at 30 September 2019	As at 30 June 2019
Current Liability		
Convertible note (secured)	1,517,783	1,535,156
Exit financing note (secured)	6,984,067	7,064,016
Total	**8,501,850**	**8,599,174**
Non-Current Liabilities		
Creditor convertible notes (unsecured)	2,387,677	2,415,009
Total	**10,889,527**	**11,014,183**

8. Income Tax

Unrecognized Tax Losses/Unrecognised Deductible Temporary Differences

The Group has unrecognized deferred tax assets in relation to tax losses that are available to carry forward against future taxable income of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in entities for which it is not probable that there will be taxable profits in the future. The tax losses for Canada are $87,628,239 which will expire twenty years after the year in which the loss was incurred

Deferred Tax

Deferred tax has been recognised on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 30 September 2019 is 26.5% (30 September 2018, 28%).

9. Issued Capital & Reserves

Common Shares

The Company is authorized to issue an unlimited number of common shares with one vote per share and no-par value per share.

in USD	Number of Common Shares	Amount
Balance 30 June 2019	1,204,892,898	141,517,358
Shares Issued	-	-
Balance 30 September 2019	**1,204,892,898**	**141,517,358**

Reserves

in USD	Investment Premium Reserve	Total
Balance at 30 June 2019	(20,563,257)	(20,563,257)
Movement	-	-
Balance at 30 September 2019	**(20,563,257)**	**(20,563,257)**

10. Finance Charges

in USD	3 Months Ended 30 September 2019	3 Months Ended 30 September 2018
Interest on borrowings and notes	-	519,649
Net foreign exchange loss	-	755,120
Total finance charges	**-**	**1,274,769**

11. Earnings Per Share

in USD	Three Months to 30 September 2019	Three Months to 30 September 2018
Basic (loss) per share attributable to Equity Owners:		
(Loss) for the period	(226,336)	(1,519,608)
Weighted average number of common shares outstanding	1,204,892,898	1,204,892,898
Basic (loss) per share	**(0.000)**	**(0.001)**
Diluted (loss) per share attributable to Equity Owners:		
Dilutive effect of shares held in escrow	1,412,806,900	1,412,806,900
Dilutive effect of share warrants outstanding	333,333,333	333,333,333
Weighted average number of common shares outstanding	2,951,033,131	2,951,033,131
Diluted (loss) per share	**(0.000)**	**(0.000)**

12. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Period ended 30 September 2019

in USD	Short term Borrowings	Derivatives	Total
Opening balances	1,433,637	11,014,183	12,447,820
Cash flows			
Proceeds	169,060	-	169,060
Non-cash			
Adjustment to fair value	-	(124,656)	(124,656)
Balance 30 September 2019	**1,602,697**	**10,889,527**	**12,492,224**

Year ended 30 June 2019

in USD	Short term Borrowings	Derivatives	Total
Opening balances	592,918	17,808,829	26,913,977
Cash flows			
Proceeds	829,009	-	829,009
Non cash			
Accrued interest	11 710	-	11,710
Adjustment to fair value	-	(6,794,656)	(6,794,656)
Balance 30 June 2019	**1,433,637**	**11,014,183**	**12,447,820**

13. Related Party Disclosure

Related Parties of the Group are Pangaea as the Ultimate Parent, Key Management Personnel and InCor as the entity has Common Directors who are deemed to have a significant influence over the Group. The following Related Party transactions are recognized in the interim consolidated financial statements of the Group:

Ultimate Parent

in USD	3 Months Ended 30 September 2019	3 Months Ended 30 September 2018
Interest	-	200,707

Key Management

in USD	3 Months Ended 30 September 2019	3 Months Ended 30 September 2018
Management fees and salary expense	106,601	93,544

Entities with Common Directors who Have Significant Influence

in USD	3 Months Ended 30 September 2019	3 Months Ended 30 September 2018
Consultancy fees expense	-	34,345
Interest	-	49,166

14. Financial Instruments & Risk Management

Risk Management

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

- liquidity risk;
- commodity price risk;
- foreign exchange risk;
- credit risk; and
- interest rate risk.

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

Liquidity Risk

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

During the period ended 30 September 2019, the Group was dependent on the ongoing support of its financiers.

Commodity Price Risk

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

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

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

Foreign Exchange Risk

The Group operates in Canada, Malaysia, and New Zealand.

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

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

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

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

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

Credit Risk

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

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

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

Interest rate risk

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

Financial Instruments

The fair value of interest-bearing loans and convertible notes approximated the carrying value at 30 September 2019 and 30 June 2019 due to market rates of interest and the consistency of credit spread. All other fair values of financial instruments except for derivatives approximate their carrying values due to their short-term nature.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

in USD	At amortised cost	Instruments at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	134,237	-	134,237
Tax and other receivables	3,337	-	3,337
Balance 30 September 2019	**137,574**	**-**	**135,734**
Liabilities			
Payables and accruals	(5,371,231)	-	(5,371,231)
Loans and borrowings	(1,602,697)	-	(1,602,697)
Derivative liabilities	-	(10,889,527)	(10,889,527)
Balance 30 September 2019	**(6,973,928)**	**(10,889,527)**	**(17,863,455)**

in USD	At amortised cost	Instruments at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	22,467	-	22,467
Tax and other receivables	3,337	-	3,337
Balance 30 June 2019	**25,804**	**-**	**25,804**
Liabilities			
Payables and accruals	(5,083,028)	-	(5,083,028)
Loans and borrowings	(1,433,637)	-	(1,433,637)
Derivative liabilities	-	(11,014,183)	(11,014,183)
Balance 30 June 2019	**(6,516,665)**	**(11,014,183)**	**(17,530,848)**

15. Segment Reporting

The operations of Besra consist of one business unit, a sole gold exploration and development project in Malaysia with no current revenue and therefore Management has deemed there to be only one reportable segment as disclosed for the periods reported. As such no additional segment reporting disclosures have been made.

16. Events After the Reporting Date

Subsequent to 30 September 2019, Besra issued secured convertible notes in the amount of $500,000. The obligations under such notes are secured by a general security interest over all the assets and undertaking of the Company.

There have been no other significant events after the reporting date