

BESRA GOLD INC.

**SUPPLEMENT TO THE MANAGEMENT INFORMATION CIRCULAR DATED
OCTOBER 16, 2020**

SUPERIOR PROPOSAL TO NOTEHOLDERS

This document is a supplement (the "**Supplement**") to the management information circular of Besra Gold Inc. (the "**Company**") dated October 16, 2020 (the "**Circular**") in connection with a meeting (the "**Meeting**") of holders of 3% unsecured convertible redeemable notes (the "**Notes**") of the Company to be held virtually via live audio webcast available online using the LUMI meeting Platform on November 16, 2020, at 2:00 p.m. (Toronto time). The time and place of the meeting have not changed. The details for accessing the Meeting are set forth in the Circular.

The purpose of this Supplement is to set forth a superior proposal to Noteholders and to amend certain disclosure contained in the Circular. This Supplement is a supplement to, and forms an integral part of, the Circular and should be read in conjunction with the Circular. In the event of a conflict between the disclosure in this Supplement and the Circular, the disclosure in this Supplement shall supersede the disclosure in the Circular. All capitalized terms used in this Supplement but not otherwise defined herein have the meanings ascribed thereto in the Circular.

SUPERIOR PROPOSAL

As noted in the Circular, the Reorganization contemplates a capital restructuring including and exchange of the Notes for Units. The Company has received a proposal (the "**Superior Proposal**") for Noteholders, which proposal provides that the securities underlying the Units to be received by Noteholders will be different than provided under the proposal contemplated under the Circular (the "**Original Proposal**"). The Board of Directors of the Company has determined that the Superior Proposal constitutes a superior proposal to the Original Proposal.

The Superior Proposal comprises:

the amendment to the terms of the Notes shall be as set forth in Schedule A to this Supplement (the "**Note Amendment**"). The Superior Note Amendment contemplates that Noteholders continue to receive Units on the basis of one Unit being issued in exchange for the settlement in full of each \$1,000 principal amount of Notes (and all accrued interest thereon), except that the securities underlying each Unit will comprise of 1,474.12 Shares. (This compares to 210.5888 Class A ZEPOs and 231.6477 Class B ZEPOs underlying each Unit under the Original Proposal).

- In aggregate, under the Note Amendment, \$47,485,866.26 principal amount of Notes (including all accrued interest thereon) will be exchanged for 70,000,000 Shares.
- No fractional securities will be issued in connection with the Reorganization. With respect to fractional securities that would otherwise be issuable to a Noteholder, the entitlement of such Noteholder will be reduced to the next lowest whole number of securities.
- The Superior Proposal also contemplates that closing of the Reorganization may be triggered by a listing on a recognized stock exchange in North America or Australia (the **Listing Event**).
- On Completion of the Reorganization and the Listing Event as contemplated under the Superior Proposal, the share and debt capital of the Company will be as described in Schedule B to this Supplement.

For the purpose of the Meeting, the disclosure in Schedule A and Schedule B of the Circular are revoked and

replaced with the disclosure in Schedule A and Schedule B of this Supplement and, as noted, the securities underlying the Units to be received by Noteholders are as set forth in Schedule A.

If the Listing Event does not occur by February 28, 2021 (the “**Listing Deadline**”), then the Note Amendment shall expire automatically, the Note Amendment shall cease to have effect and the Form of Notes shall revert to the terms in effect prior to approval of the Note Amendment.

The Noteholder Resolution to be presented at the Meeting will be for an approval of the Reorganization and Note Amendment as amended by the description in his Supplement.

PROXY PROCESS

Since the Superior Proposal has been determined by the Board of Directors to be superior to the Original Proposal, all proxies or voting undertaken by Noteholders in favour of the Noteholder Resolution shall be accepted as being in favour to the Superior Proposal.

If you have already voted your Notes and do not wish to change your vote

If you have already voted your Notes, and you do not wish to change your vote, you need not take any further action to maintain your previously cast vote in respect of the Noteholder Resolution. This applies regardless of the capacity in which you own your shares.

If you have already voted your Notes but you wish to change your vote

If you have already voted your Notes and wish to change your vote, please change your vote by following the Internet Vote or Telephone Vote process noted below and register your changed vote.

PARTICIPATION AT THE VIRTUAL MEETING

To proactively deal with the unprecedented public health impact of the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, securityholders, employees and other stakeholders, the Company will hold the Meeting in a virtual only format via live webcast online. Virtual meetings are meetings where participants attend via an online platform that allows them to ask questions, vote and participate electronically in real time, as opposed to travelling to the meetings’ physical location. A summary of the information Noteholders will need to attend the Meeting is provided below. The Meeting will begin at 2:00 pm (Toronto time) on November 16, 2020.

Registered Noteholders may also vote in the following ways:

- Internet Vote – www.investorvote.com (enter the 15-digit control number provided on your form of proxy to vote)
- Telephone Vote – Noteholders who wish to vote by phone should call 1-866-732-8683 (toll-free in North America) and enter the 15-digit control number printed on your form of proxy. Follow the interactive voice recording instructions to vote.
- By Hand, by Courier or by Registered Mail:

Computershare Investor Services Inc.
8th Floor, 100 University Avenue Proxy Department
Toronto, Ontario
M5J 2Y1

- Online at the Virtual Meeting

If you want to vote online at the Meeting:

- DO NOT COMPLETE THE PROXY. Instead:
 - log in at <https://web.lumiagm.com/255308598> at least 15 minutes before the Meeting starts;
 - click on “I have a control number”;
 - enter your 15-digit control number from your proxy;
 - enter the password: “besra2020” (case sensitive); and
 - vote

Registered noteholders who wish to appoint a third party proxyholder to represent them at the online meeting must submit their proxy form prior to registering their proxyholder. Registering the proxyholder is an additional step once a noteholder has submitted their proxy form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the meeting. To register a proxyholder, the noteholder MUST visit <https://www.computershare.com/BesraGold> by November 12, 2020 at 2.00 pm EST and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

Voting Online

Registered Noteholders who have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare will be able to vote and submit questions during the Meeting. To do so, please follow the following instructions:

- Please go to <https://web.lumiagm.com/255308598> prior to the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or Username along with the password “besra2020” (case specific). A user guide prepared by Computershare with additional information regarding attending the Noteholders’ Meeting was mailed to each registered noteholder.
- Non-Registered Noteholders can vote online at the Meeting if they have appointed themselves as proxyholders or they are a duly appointed proxyholder. In order to be appointed as a proxyholder to be able to vote at the meeting, Non-Registered Noteholders should insert their name in the blank space provided on the proxy or voting instruction form they received and return it as per the instruction therein.
- Additionally, Non-Registered Noteholders are required to register with Computershare at <https://www.computershare.com/BesraGold> to prior to 2.00 pm (Toronto time) on November 12, 2020.
- Non-Registered Noteholders who do not have a 15-digit control number or Username will only be able attend as a guest which allows them to listen to the Noteholders’ Meeting; however, they will not be able to vote or submit questions.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when polling commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Once successfully logged into the virtual meeting and once the Chairperson has formally called the Meeting to order, the items of business to be voted on and your available voting options will be visible in the voting panel on your screen. Simply click on your voting choice (FOR/AGAINST) to submit your vote. Non-Registered Noteholders must first appoint themselves or a proxyholder to participate in the online voting.

BOARD RECOMMENDATION

If the Noteholder Resolution is not approved, the Listing Event will not be concluded, and the Company will not be in a position to service its indebtedness and the secured creditors and Bridge Note holders are expected

to realize on their respective securities.

Based on the current debt structure, if the secured creditors were to realize on their security, Noteholders would be left without any return.

As a consequence, if the Noteholder Resolution is not approved, and based on the current debt structure, if secured creditors were to realize on their securities by undertaking enforcement actions, the Noteholders should not expect any return on their original investment.

The board of directors of the Company believes that the market opportunity to fix the Company's current liquidity crunch due and relaunch its Project has arrived. The Listing Event and the Reorganization is the best alternative that has been uncovered for stakeholders of the Company to realize value. Additionally, the Superior Proposal provide additional and superior non-contingent equity to the Noteholders than contemplated under the Original Proposal.

Following a review and analysis of the Noteholder Resolution and consideration of other available alternatives the Board has unanimously determined that the Noteholder Resolution (and the transactions contemplated therein, as contemplated under this Supplement) is in the best interests of the Company and the Noteholders. The Board unanimously recommends that Noteholders vote in favour of the Noteholder Resolution

Procedure for Surrender of Note Certificates by Noteholders

Enclosed with this Supplement are forms of Letter of Transmittal which, when properly completed and duly executed and returned together with the certificate or certificates representing Notes, and all other required documents, will enable each Noteholder to obtain the consideration (the "Consideration") that such registered Noteholder is entitled to receive under the Reorganization. Noteholders who submitted Letters of Transmittal prior to the sending of this Supplement shall receive the consideration issuable under the Note Amendment.

The forms of Letter of Transmittal contain complete instructions on how to exchange the certificate(s) representing the Notes. A registered Noteholder will not receive Consideration under the Reorganization until after the Closing Date and the registered Noteholder has returned its properly completed documents, including the applicable Letter of Transmittal, and the certificate(s) representing the Notes to the Computershare Investor Services Inc. (the ("Depository"). Only registered Noteholders are required to submit a Letter of Transmittal. A beneficial Noteholder holding Notes through an Intermediary, should contact that Intermediary for instructions and assistance in depositing certificates representing the Notes, and carefully follow any instructions provided by such Intermediary. Provided that the Noteholder Resolution is approved at the Meeting, from and after the Closing, all certificates that represented Notes immediately prior to the Closing will cease to represent any rights with respect to such Notes and will only represent the right to receive the Consideration. Any such certificate, agreement or other instrument (as applicable) formerly representing Notes not duly surrendered on or before the sixth anniversary of the Closing Date shall cease to represent a claim by or interest of any holder thereof of any kind or nature against or in the Company. On such date, all consideration to which such former Noteholder was entitled under the Reorganization shall be deemed to have been surrendered to the Company, together with all entitlements to distributions and interest thereon held for such former registered holder.

Dated this 10 day of November, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF BESRA GOLD INC.

<Signed> "John Seton"

Name: John Seton

Title: Director

**SCHEDULE A
FORM OF NOTE AMENDMENT**

(attached)

NOTE AMENDING AGREEMENT AND WAIVERS

THIS NOTE AMENDING AGREEMENT AND WAIVERS dated as of •, 2020 (this “**Agreement**”) to the Note Agreements (as defined below) by and between Besra Gold Inc. (the “**Company**”) and Holder(s) listed on the first page of signature page of each such Note Agreement (the “**Holders**”).

RECITALS:

- (A) A total of \$47,485,866.26 principal amount of 3% unsecured convertible redeemable notes due November 17, 2020 (the “**Notes**”) of the Company were issued to electing “Affected Creditors” of the Company in connection with an amended proposal dated March 13, 2016 under the *Bankruptcy and Insolvency Act* (Canada).
- (B) The Notes were issued in identical form agreements (each, a “**Note Agreement**” and collectively, the “**Note Agreements**”) on November 17, 2016.
- (C) Section 14 of the Note Agreements provides for the calling of meetings of the Holders for such purposes as may be set out in the notice of meeting given by the Company and which purposes may include, among other things:
- power to approve any amendment or change whatsoever to any of the provisions of the Notes and any modification, abrogation, alteration, compromise or arrangement of the rights of the holders of Notes against the Company or against its undertaking, property and assets or any part thereof;
 - power to approve any scheme for the reconstruction or reorganization of the Company or for the consolidation, amalgamation or merger of the Company with or into any other person or for the sale, lease, transfer or other disposition of the undertaking, property and assets of the Company or any part thereof; and
 - power to waive any provision under the Notes including any Event of Default or the compliance by the Company with any covenant hereunder.
- (D) A meeting of Holders (the “**Meeting**”) was held on November 16, 2020 pursuant to Section 14 of the Note Agreements, for the purpose of considering the “Noteholder Resolution” described in an information circular (the “**Circular**”) dated October 16, 2020, as supplemented by a supplement dated November 10, 2020.
- (E) The Noteholder Resolution, which was duly approved at the Meeting, included approval of the Reorganization (as defined in the Circular) and this Note Amending Agreement and Waivers.

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Note Agreements, collectively and individually, are hereby amended as follows:

Article I. INTERPRETATION

Section 1.01 Defined Terms

Capitalized terms used herein shall have the meaning ascribed in Section 2.01 hereof, provided capitalized terms without express definition shall have the same meanings herein as are ascribed thereto in the Note Agreements.

Section 1.02 Section References

The division of this Agreement into Articles and Sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreements supplemental hereto.

Section 1.03 Governing Law

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the Province of Ontario excluding choice of law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

Article II. AMENDMENTS TO NOTE AGREEMENTS

Section 2.01 Amendments to Note Agreements.

A new Section 4b of each and all of the Note Agreements is hereby added, to read as follows:

“4b Listing and Automatic Exchange Event.

- (a) Additional Defined Terms: In this Section 4b, the following terms shall have the meanings ascribed below:
- (i) **Business Day** means a day on which trading takes place on the Recognized Stock Exchange on which the Shares receive Conditional Admission.
 - (ii) **Circular** means the Management Information Circular of the Company dated October 16, 2020 in connection with an extraordinary meeting of Holders as supplemented by a supplement dated November 10, 2020;
 - (iii) **Closing Date** has the meaning set forth in Section 4b(c);
 - (iv) **Closing Time** has the meaning set forth in Section 4b(c);
 - (v) **Completion** has the meaning set forth in Section 4b(c)
 - (vi) **Conditional Admission** means the first date on which a Recognized Exchange has confirmed that it has resolved basis to admit the Company to its official list or equivalent and the Minimum Subscription under the Offer has been raised;
 - (vii) **Listing Rules** means the official listing rules from time to time of the Recognized Stock Exchange on which the Shares are listed;
 - (viii) **Minimum Subscription** means AU\$12,000,000 (or equivalent in US or Canadian dollars), equating to the issue of 60,000,000 Shares;

- (ix) **Offer** means an offer under a prospectus and/or by private placement of between 60,000,000 and 75,000,000 Shares by the Company at the Offer Price;
 - (x) **Offer Price** means a minimum of A\$0.20 per Share (or equivalent in US or Canadian dollars);
 - (xi) **Offer to Noteholders** means an offer of Units in exchange for Notes;
 - (xii) **Recognized Stock Exchange** means a government recognized stock exchange in Australia, Canada or United States;
 - (xiii) **Restriction Deed** has the meaning given in 4b(d);
 - (xiv) **Shares** means common shares of the Company and includes CHESSE depository interests (CDIs) over Shares (on a one for one basis);
 - (xv) **Units** means 47,485.886 units issued by the Company composed of 1,474.12 Shares in each Unit; and
- (b) Automatic Exchange. Effective on the Closing Time, all Holders of Notes shall be deemed, at the Closing Date, to have accepted the Offer to Noteholders and exchanged and transferred to the Company (the **Automatic Exchange**) all of such Holder's right, title and interest in and to the Notes (including all accrued interest thereon) registered in its name and shall thereupon automatically cease to be a Holder of such Notes and all rights of such Holder as a debtholder of the Company, shall automatically cease, and the Company shall issue in exchange for the \$47,485,886.26 aggregate principal amount of Notes (and all accrued interest thereon), for Units, on the basis of one Unit being issued in exchange for the settlement in full of each \$1,000 principal amount of Notes (and all accrued interest thereon) in accordance with the Offer to Noteholders. The Holder shall thereupon and thereafter be deemed to be and for all purposes shall hereby be Holder of securities comprising such Units on such basis. No fractional securities will be issued in connection with the Reorganization. With respect to fractional securities that would otherwise be issuable to a Noteholder, the entitlement of such Noteholder will be reduced to the next lowest whole number of securities.
- (c) Completion: Completion of the Automatic Exchange will take place at 10:00am (Perth time) (**Closing Time**) at the office of Gilbert + Tobin at Level 16, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth WA 6000 or such other location determined by the Company on the Business Day after the date of Conditional Admission (the **Closing Date**).
- (d) Escrow: If required by the Listing Rules, each Holder will deliver at or prior to Closing Time (in a form provided by the Company acting reasonably) a properly executed restriction deed in respect of the securities underlying the Units issued to such Holder in the form prescribed by the Listing Rules or otherwise required by the Recognized Stock Exchange, pursuant to which the securities underlying the Units will be subject to escrow for such period and on such terms as prescribed by the Listing Rules or otherwise by the ASX (**Restriction Deed**).
- (e) Procedure: The Company shall cause to be delivered notice to the Holders of Notes of the occurrence of the Automatic Exchange within 10 days after occurrence of the Automatic Exchange; provided, however, that a failure to make such delivery shall not affect, reduce or modify in anyway the effectiveness of the Automatic Exchange with effect as of the Closing Time. The procedure for the issuance of the Units to Holders is as set forth in the Letter of Transmittal referred to in the Circular. The issuance of Units to Holders is subject to compliance with applicable securities laws as provided in the Circular.

(f) Power of Attorney:

- (i) On and from Completion, each Holder hereby agrees to:
- i. appoint the Company as attorney and agent of the Holder in conjunction with or pursuant to the Listing and Offer and Offer to Noteholders to execute all documents and take all actions as may be necessary to perform any obligations of the Holder arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of the Holder in connection with the registration of the securities comprising the Units, including completion of a Restriction Deed;
 - ii. indemnify the Company against all claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and
 - iii. deliver to the Company on demand any power of attorney, instrument of transfer or other instruments as the Company may require for the purposes of any of the transactions contemplated by this Agreement. The Power of Attorney granted above is granted to the Company and, being coupled with an interest, shall not be revocable by Holder for any reason.
 - iv. The Power of Attorney granted above may be exercised during any subsequent legal incapacity on the Holder's part and shall be binding upon the heirs, executors, administrators, successors and assigns of the Holder.
 - v. The Power of Attorney granted above shall be governed by and construed in accordance with the Province of Ontario and the federal laws of Canada applicable therein."

Section 2.02 Maturity Date

Each and all of the Note Agreements are hereby amended to change the Maturity Date, as defined therein, from November 17, 2020 to February 28, 2020.

Article III. Waivers

Section 3.01 **Waivers**

- (a) In order for the Offer and Listing to proceed, the Holder agrees to a waiver of all Events of Default and standstill on enforcement on the terms of Section 3.01(b) until the Condition Satisfaction Date. Upon Completion any and all rights of Holder in respect of prior defaults under the Notes will be extinguished.
- (b) Holder agrees that it will not, without the Company's prior written consent, take any steps whatsoever to enforce any existing or future default under the Notes (including without limitation, asserting any rights of set-off or claims against any property, assets or undertakings of the Company, making any demands, accelerating any obligations, commencing any insolvency proceedings).
- (c) In order for the Offer and Listing to proceed, Holder waives its rights under section 15 of the Notes to subscribe for Shares in connection with the Offer.

Article IV. CONDITION PRECEDENT

Section 4.01 **Condition Precedent.**

- (a) If the Company has not received of notice of Conditional Admission (the **Condition Precedent**) on or before February 28, 2020 (**Condition Satisfaction Date**), this Agreement will automatically terminate on the next Business Day and be of no further force or effect.
- (b) The Condition Precedent is for the benefit of the Company and the Holders of the Notes and cannot be

waived.

Article V. GENERAL

5.1 Agreement Part of Note Agreement.

The amendments to the Note Agreements effected by this Agreement shall be construed in connection with and as part of the Note Agreements and except as modified and expressly amended by this Agreement, all terms, conditions and covenants contained in the Note Agreements and the Notes are hereby ratified and shall be and remain in full force and effect.

5.2 Notices.

Any and all notices, certificates and other instruments executed and delivered after the execution and delivery of this Agreement may refer to the Note Agreement without making specific reference to this Agreement but nevertheless all such references shall include this Agreement unless the context otherwise requires.

5.3 Counterparts.

This Agreement may be executed by facsimile and pdf and in any number of counterparts, all of which together shall constitute one instrument.

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IN WITNESS WHEREOF, the Company has caused this Note Amending Agreement and Waivers to be issued as of the date first above written.

BESRA GOLD INC.

Per: _____
Name: John A.G. Seton
Title: Managing Director and Chief
Executive Officer

[Signature page to Amending Agreement and Waivers]

**SCHEDULE B
ADDITIONAL INFORMATION**

Liquidity & Debt Structure

As at 31 March 2020 the Company had cash on hand of \$10,154 and liabilities owing of \$56,982,742. Following completion of the Reorganization, the Company expects to have cash on hand of approximately AUD\$9,750,000 (after minimum subscription), or AUD\$12,500,000 (after maximum subscription), and liabilities of approximately AUD\$1,000,000 (including normal month to month trade creditors).

Capital Structure

The intended capital structure of the Company following completion of the Reorganization is summarised below.

This is provided to assist the Noteholders with consideration of the Noteholder Resolutions and the final capital structure will be subject to agreement between the Company, the Lead Manager and market conditions at time of the potential Offer. Any material derogation to this capital structure prior to the date of the Noteholder Meeting will be notified to Noteholders by way of supplementary disclosure.

The terms and conditions of all securities discussed in the Circular will need comply with the listing rules of the stock exchange on which Shares trade and applicable securities laws. The stock exchange will retain ultimate discretion to admit the Shares, and any Shares issued on conversion of the Options, Warrants and Performance Rights to admission and quotation on the such exchange.

References to Shares include Chess Depositary Interests (CDIs) that may be issued on a ratio of one (1) CDI for one (1) Share. The intended capital structure below is shown on a post-Consolidation basis.

The Offer	Minimum Subscription	Maximum Subscription
Shares/CDIs		
Shares on issue as at the Prospectus Date (post consolidation and cancellation of Pangaea escrow shares)	8,764,968	8,764,968
Shares to be issued to the secured creditors under the Capital Restructuring	95,056,542	95,056,542
Shares to be issued to Pre-IPO Investors	52,119,660	52,119,660
Shares to be issued to former unsecured Noteholders	70,000,000	70,000,000
Shares to be issued under the Offer	60,000,000	75,000,000
Shares to be issued for deferred asset purchase & to settle trade creditors	6,250,000	6,250,000

The Offer	Minimum Subscription	Maximum Subscription
Total number of Shares on issue following the Offer	292,191,170	307,191,170
Options		
Lead Manager Options on issue following the Offer	14,311,816	14,834,623
Broker Options on issue following the Offer	1,066,667	1,333,333
Class A Incentive Options on issue following the Offer	5,315,447	5,625,000
Class B Incentive Options on issue following the Offer	3,962,253	4,193,000
Bonus Options on issue following the Offer	1,120,000	1,400,000
Total number of Options on issue following the Offer	25,776,183	27,385,954
Performance Rights		
Board and Executive Performance Rights	10,000,000	10,000,000
Total number of Performance Rights on issue following the Offer	10,000,000	10,000,000
Warrants		
Warrants on issue to Forest Nominees following the Offer	1,776,440	1,776,440
Total number of Warrants on issue following the Offer	1,776,440	1,776,440

Additional Information Regarding Warrants and Options

Lead Manager Options

The Lead Manager of the Offer shall be provided compensation which includes Options equating to 5% of the fully diluted number of Shares constituting the capital of the Company with an exercise price of AU\$0.25

(equating to a 25% premium to the IPO Offer Price) and expiring 4 years from the date of Listing. Additional broker options will be offered to a supporting broker to the Offer.

Incentive Options

Upon completion of the Offer, the Company intends to offer a total of either 5,315,447 or 5,625,000 Class A Incentive Options and a total of either 3,962,253 or 4,193,000 Class B Incentive Options to the Directors and Senior Management pursuant to an Equity Incentive Plan to be adopted by the Company in connection with the Reorganization as follows:

Minimum Subscription

Person	Class A Incentive Options	Class B Incentive Options	Total
Jocelyn Bennett	1,433,202	1,068,341	2,501,543
John Seton	937,094	698,530	1,635,624
Jon Morda	937,094	698,530	1,635,624
Mark Eaton	669,353	498,950	1,168,303
Paul Ingram	669,353	498,950	1,168,303
Andrew Worland	669,353	498,950	1,168,303
Total:	5,315,449	3,962,251	9,277,700

Maximum Subscription

Person	Class A Incentive Options	Class B Incentive Options	Total
Jocelyn Bennett	1,516,667	1,130,557	2,647,224
John Seton	991,667	739,210	1,730,877
Jon Morda	991,667	739,210	1,730,877
Mark Eaton	708,333	528,007	1,236,340
Paul Ingram	708,333	528,007	1,236,340
Andrew Worland	708,333	528,007	1,236,340
Total:	5,625,000	4,192,998	9,817,998

The key terms of the Incentive Options are:

- **exercise price:** the Class A Incentive Options are proposed to be exercisable at a 50% premium to the Offer Price (being, AUD\$0.30) and the Class B Incentive Options will be exercisable at a 100% premium to the Offer Price (being, A\$0.40);
- **expiry:** five years from the date of issue;
- **vesting:** one-third will vest on the date of grant, one-third will vest on the first anniversary of the date of grant and the remaining third will vest on the second anniversary of the date of grant;
- **transferability:** the options are not proposed to be transferable and will not be quoted.

Bonus Options

Upon completion of the Offer, the Company intends to issue a total of either 1,120,000 and 1,400,000 Options to certain Directors, Senior Management and employees of the Company in recognition of their contributions to the Company over the past couple of years including in relation to their assistance with preparing the Company for this IPO (**Bonus Options**). Of these, a total of either 840,000 or 1,050,000 Options (depending on the size of the IPO raise) will be issued to the following Directors and members of Senior Management:

Person	Bonus Options	
	Minimum Subscription	Maximum Subscription
John Seton	400,000	500,000
Ray Shaw	280,000	350,000
John Glen	160,000	200,000
Total:	840,000	1,050,000

The Bonus Options will be issued on substantially the same terms and the Lead Manager Options.

Performance Rights

Upon completion of the Offer, the Company intends to offer a total of 10,000,000 Performance Rights to the Directors, Senior Management and certain employees of Besra. Of these, a total of 5,218,855 Performance Rights will be issued to the following Directors and members of Senior Management:

Person	Class A Performance Rights	Class B Performance Rights	Total
John Seton	965,208	482,604	1,447,811
Ray Shaw	2,244,669	1,122,334	3,367,003
John Glen	269,360	134,680	404,040
Total:	3,479,237	1,739,618	5,218,855

The Performance Rights are proposed to be issued subject to the following vesting hurdles:

- Class A performance rights subject to vesting condition of (i) 4 Moz resource being achieved measured over a two (2) year period or (ii) a Sale of the Project occurs, or (iii) a Change of Control occurs and expiring two (2) years from Listing; and

- Class B performance rights subject to vesting condition of (i) 5 Moz resource being measured over a three (3) year period or (ii) completes a feasibility study on the Project which evidences an internal rate of return in excess of 30% using publicly available spot commodity pricing and verifiable industry assumptions, or (iii) a Sale of Project occurs or (iv) a Change of Control occurs. and expiring three (3) years from Listing.

“Change of Control” means the acquisition by any person or by any person and all Joint Actors (as defined in Canadian securities laws, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

“Sale of the Project” means the direct or indirect sale by the Company more than 33 1/3% interest in the Project. Sale of Project or Change of Control has the same meaning as defined in the Zero Priced Options.

Additional Information Regarding Director and Senior Management Compensation

Details of the proposed total annual remuneration of the Directors and Senior Management, from Listing, are set out in the table below. The Board considers these arrangements to constitute reasonable remuneration.

Jocelyn Bennett	65,000
Jon Morda	42,500
John Seton	150,000
Mark Eaton	42,500
Paul Ingram	42,500
Andrew Worland	42,500
Ray Shaw	190,000
John Glen	30,000

¹ Excluding superannuation.