BESRA GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020

(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 2020	As at 30 June 2020
ASSETS			
Current			
Cash and cash equivalents		223,447	31,260
Tax and other receivables		34,438	28,147
Prepaid expenses		7,486	7,486
		265,371	**66,893**
Non-current			
Property plant and equipment		25,182	32,599
Exploration & evaluation	4	17,506,422	17,506,422
		17,531,604	**17,539,021**
TOTAL ASSETS		**17,796,975**	**17,605,914**
LIABILITIES			
Current			
Trade and other payables	5	5,431,881	5,617,142
Derivative liability	7	11,610,276	11,456,461
Loans and borrowings	6	3,299,619	2,015,066
		20,341,776	**19,088,669**
TOTAL LIABILITIES		**20,341,776**	**19,088,669**
EQUITY			
Issued capital	9	141,517,358	141,517,358
Reserves	9	(20,563,257)	(20,563,257)
Deficit		(122,069,581)	(121,011,748)
		(1,115,480)	(57,647)
Non-controlling interest		(1,429,321)	(1,425,108)
TOTAL EQUITY		**(2,544,801)**	**(1,482,755)**
TOTAL LIABILITIES AND EQUITY		**17,796,975**	**17,605,914**

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(s)	Three Months to 30 September 2020	Three Months to 30 September 2019
Revenue		-	-
Corporate and administrative expense		734,055	345,492
Exploration expense		82,708	-
Derivative fair value revaluation		153,815	(836,152)
Depreciation and amortization		7,417	5,500
Finance charges	10	84,051	836,152
LOSS BEFORE INCOME TAX		**1,062,046**	**350,992**
Income tax (recovery)	8	-	-
NET LOSS FOR THE YEAR		**1,062,046**	**350,992**
COMPREHENSIVE LOSS FOR THE YEAR		**1,062,946**	**350,992**
Total comprehensive loss for the year attributable to:			
Shareholders of the parent		1,057,833	350,992
Non-controlling interests		4,213	-
Basic and Diluted loss per share	11	0.001	0.000

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 2020	Three Months Ended 30 September 2019
OPERATING ACTIVITES			
Total Comprehensive (loss) for the period		(1,062,046)	(350,992)
Items not affecting Cash			
Depreciation & amortization		7,417	5,500
Interest on loans	10	30,597	836,152
Unrealised foreign exchange		-	-
Derivative revaluation		153,815	(836,152)
Changes in non-cash working capital balances			
Trade and other receivables and other financial assets		(6,291)	-
Trade and other payables		(185,261)	288,202
Cash used in operating activities		**(1,061,769)**	**(57,290)**
INVESTING ACTIVITIES			
Exploration and evaluation costs		-	-
Cash used in investing activities		**-**	**-**
FINANCING ACTIVITIES			
Proceeds from financing loan	12	1,253,956	169,060
Cash provided by financing activities		**1,253,956**	**169,060**
Increase (Decrease) in cash during the period		192,187	111,770
Cash - beginning of the period		**31,260**	**22,467**
Effect of foreign exchange rate changes on cash		-	-
Cash - end of the period		**223,447**	**134,237**

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 2020	**141,517,358**	**(20,563,257)**	**(121,011,748)**	**(1,425,108)**	**(1,482,755)**
(Loss) for the period			(1,057,833)	(4,213)	(1,062,046)
Total comprehensive (loss)	-	-	(1,057,833)	(4,213)	(1,062,046)
Balance at 30 September 2020	**141,517,358**	**(20,563,257)**	**(122,069,581)**	**(1,429,321)**	**(2,544,801)**
Balance at 1 July 2019	**141,517,358**	**(20,563,257)**	**(119,306,121)**	**(1,398,140)**	**249,840**
(Loss) for the period	-	-	(350,992)	-	(350,992)
Total comprehensive (loss)	-	-	(350,992)	-	(350,992)
Balance at 30 September 2019	**141,517,358**	**(20,563,257)**	**(119,657,113)**	**(1,398,140)**	**(101,152)**

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 2019 and 2020 and the period ended 30 September 2020, 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 2020 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 porated 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 2020 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 2020.

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.

The Company's single asset is the Bau Gold Project.

The Bau Gold Project has been on care and maintenance due to funding limitations and continued on care and maintenance during the quarter.

During the first half of 2020 in a market of improved gold prices and significantly improved prospects for the gold mining industry, the Company embarked on a four-part revitalization, restructuring and reorganisation plan (the "Reorganisation") which comprises:

- Securing a revocation of the cease trade order – this was obtained on April 20, 2020.
- Obtaining financing to bridge a re-listing of the Company's common shares on a stock exchange. In April 2020, the Company signed a mandate agreement with Canaccord Genuity (Australia) Limited ("Canaccord") to act on an exclusive basis as lead manager for the potential initial public offering ("IPO") of the Company's common shares on the Australian Securities Exchange ("ASX"). On July 7, 2020 the Company closed an AUD$2,533,000 financing consisting of zero coupon secured convertible subordinated notes ("Bridge Notes") including the replacement of an existing CAD$500,000 secured convertible note, arranged through Canaccord. The Bridge Notes mature November 30, 2020 and are convertible at the option of the holder into common shares at a price of AUD$0.10 per share, on a post consolidation basis and convert automatically upon the occurrence of a transaction resulting, directly or indirectly, in the relisting of the Company's common shares on a specified stock exchange. As part of the Reorganisation, the Company proposes to seek an extension to the maturity date of the Bridge Notes to February 28, 2021 to enable the completion of an IPO.
- Restructuring the Company's debt and equity capital (the "Capital Restructuring") – A central component of the Capital Restructuring is approval of the holders of 3% unsecured convertible notes ("Creditors Notes") with a face value of CAD$47,485,886 to be exchanged for new common shares in the Company. An information circular was distributed to Creditors Noteholders dated October 16, 2020 and subsequently a supplement to the circular was distributed to Creditors Noteholders dated November 10, 2020 seeking approval for the exchange of the notes in full for 70,000,000 new common shares in the Company (on a post consolidation basis). The meeting was due to be held on November 16, 2020 but was adjourned before considering the relevant resolution. The meeting is expected to be reconvened on November 30, 2020. At the annual special meeting of shareholders dated September 10, 2020 shareholders approved the consolidation of the Company's capital on the basis of one post consolidation shares for every two hundred and fifty (250) pre consolidation shares or such lesser ratio as the board of directors of the Company approve. On November 23, 2020 the Company's directors approved a consolidation of the Company's capital on the basis of one post consolidation shares for every one hundred and thirty-seven point four seven (137.47) pre consolidation shares.
- Listing of the Company's common shares via an IPO on the ASX. The Company intends to lodge a prospectus in connection with an IPO and listing of the Company's common shares in the form of Chess Depository Receipts ("CDIs") which would outline the Company's plan to seek a minimum of AUD$12 million and up to AUD$15 million in new equity funding. As part of the IPO, all secured debts and remaining unsecured notes, including the Bridge Notes, will be exchanged for new post consolidation common shares in the Company.

There can be no assurance that the Reorganisation can be completed in full.

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 2020	Ownership % 30 Jun 2020
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 2020 and 2019 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:

- Determination of functional currency of entities within the Group. Determining the appropriate functional currencies for each entity in the Group requires analysis of various factors, including the currencies and country-specific factors that mainly influence sales prices, and the currencies that mainly influence financing, labour, materials, and other costs of providing goods or services.
- The convertible notes (refer note 6) issued by the Group are complex with varying features which could, depending on judgements applied, result in a number of possible accounting treatments based on the application of IFRS. The main judgement made in determining the accounting treatment for the convertible notes is whether the notes should be split into multiple elements (i.e. base loan, warrants or interest) with a different accounting treatment for each element or treated as a single instrument meeting the definition of a derivative.
- Determine whether the Company remains a going concern as set out in commentary on the Going Concern on page 6.

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.

The Directors have also taken into account impairment testing relying upon advice from an independent party who arrived at a pre-IPO asset value based on pre-IPO funding arranged by the Company and the proposed raising as part of an IPO and re-listing on the ASX. The testing used this asset value and other inputs that were appropriate at that time to arrive at a value of the asset. (Refer to Note 4)

- Fair value determination of financial instruments carried at fair value. Derivative financial instruments are recorded in the Consolidated Statement of Financial Position at values that are representative of or approximate their fair value. The fair value of derivatives requires application of the most appropriate valuation model which is dependent on the terms and conditions of the instrument.

  For the year ended 30 June 2020 and 30 June 2019 the liabilities were valued using an income approach to calculate the fair value which porates 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. (Refer to Note 7).

4. Exploration & Evaluation

in USD	3 Months Ended 30 September 2020	Year Ended 30 June 2020
Opening Balance	17,506,422	17,506,422
Additions	-	-
Impairment	-	-
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 solely 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.

The Bau Gold Project comprises consolidated mining and exploration tenements within the Bau Goldfield. A feasibility study for Stage 1 of the Bau Gold Project in East Malaysia was completed in the financial year ended 30 June 2014.

During the 2019 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 performed an impairment test and determined the recoverable amount of the asset at its fair value less costs of disposal, relying on advice from an independent party which concluded that the Enterprise Value (EV) of the Company at 30 June 2019 was $17.5 million at that time. As the Company only has a single asset, the use of an EV was considered an appropriate indicator for the value of the asset. This opinion was based on the value of the asset on an EV per ounce basis relative to market peers discounted for the independent advisor's assessment of sovereign risk. 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.

A review for the year ended 30 June 2020 and the 3 months ended 30 September 2020 indicated no significant change to facts and circumstances which would suggest that a further reduction to the carrying value is necessary. Therefore, management and the Directors conclude that no impairment is required for the 3 months ended 30 September 2020.

5. Trade & Other Payables

in USD	As at 30 September 2020	As at 30 June 2020
Trade payables	2,256,285	2,280,296
Taxes and government fees	21,433	21,433
Accruals and other payables	3,154,163	3,315,413
Total	**5,431,881**	**5,617,142**

6. Convertible Notes, Interest Bearing Loans & Borrowings

in USD	As at 30 September 2020	As at 30 June 2020
Current Liabilities		
Secured Convertible Notes	-	529,530
Bridge Notes 2020	1,783,484	-
Other current indebtedness (unsecured)	1,516,135	1,485,536
Total	**3,299,619**	**2,015,066**

On 7 July 2020 the Company closed an AUD$2,533,000 financing consisting of zero-coupon secured convertible subordinated notes, which constitute the secured convertible notes 2020 ('Bridge Notes') above.

The Bridge Notes mature 30 November 2020 and are convertible at the option of the holders into Common Shares of the Company at a price of AUD$0.10 per Common Share, on a post consolidation basis (refer the 2020 full year financial statements) and convert automatically upon the occurrence of a transaction resulting, directly or indirectly, in the relisting of the Common Shares on a specified stock exchange.

The Company's obligations under the Bridge Notes are secured by a general security agreement in favour of the holders of the Convertible Notes ranking subordinate to the existing secured obligations of the Company.

Included within the Bridge Note 2020 financing, the Company replaced a convertible secured note, principal amount of CAD$500,000, issued 31 October 2019 and the AUD$100,000 received by the Company in June 2020, both of which formed part of the Bridge Note 2020 capital raising.

7. Derivative Liabilities

in USD	As at 30 September 2020	As at 30 June 2020

Current Asset		
Convertible Note (secured)	2,004,428	1,972,972
Exit financing Note (secured)	9,472,760	9,347,263
Creditor convertible notes (unsecured)	132,988	131,226
Total	**11,610,276**	**11,456,461**

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 $65,120,916 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 2020 is 26.5% (30 September 2019, 26.5%).

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 2020	1,204,892,898	141,517,358
	-	-
Balance 30 September 2020	**1,204,892,898**	**141,517,358**

Reserves

in USD	Investment Premium Reserve	Total
Balance at 30 June 2020	(20,563,257)	(20,563,257)
Movement	-	-
Balance at 30 September 2020	**(20,563,257)**	**(20,563,257)**

10. Finance Charges

in USD	3 Months Ended 30 September 2020	3 Months Ended 30 September 2019
Interest on borrowings and notes	30,597	836,152
Finance expense	53,454	-
Total finance charges	**84,051**	**836,152**

11. Earnings Per Share

in USD	Three Months to 30 September 2020	Three Months to 30 September 2019
Basic (loss) per share attributable to Equity Owners:		
(Loss) for the period	(1,062,046)	(350,992)
Weighted average number of common shares outstanding	1,204,892,898	1,204,892,898
Basic (loss) per share	**(0.001)**	**(0.000)**

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for each reporting period attributable to the equity owners of Besra by the weighted average number of common shares outstanding for the period.

Diluted (loss) earnings per share is based on basic earnings (loss) per share adjusted for the potential dilution if shares held in escrow are transferred 5,651,228 (2019: 5,651,228) and warrants are exercised 1,333,333 (2019: 1,333,333). The increase in the number of shares from conversion of convertible debt is dilutive as they would decrease the loss per share attributable to equity owners.

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 2020

in USD	Short term Borrowings	Derivatives	Total
Opening balances	2,015,066	11,456,461	13,471,527
Cash flows			
Proceeds	1,253,956	-	1,253,956
Non-cash			
Accrued interest	30,597	-	30,597
Adjustment to Fair value	-	153,815	153,815
Balance 30 September 2020	**3,299,619**	**11,610,276**	**14,909,895**

Year ended 30 June 2020

in USD	Short term Borrowings	Derivatives	Total
Opening balances	1,433,637	11,014,183	**12,447,820**
Cash flows			
Proceeds	437,729	-	437,729
Repayments	(88,173)	-	(88,173)
Non cash			
Accrued interest	231,873	-	231,873
Adjustment to Fair value	-	442,278	442,278
Balance 30 June 2020	**2,015,066**	**11,456,461**	**13,471,527**

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:

Significant Influence

in USD	3 Months Ended 30 September 2020	3 Months Ended 30 September 2019
Interest	-	391,410

Key Management

in USD	3 Months Ended 30 September 2020	3 Months Ended 30 September 2019
Management fees and salary expense	75,000	106,601

Entities with Common Directors who Have Significant Influence

in USD	3 Months Ended 30 September 2020	3 Months Ended 30 September 2019
Consultancy fees expense	-	-
Interest	1,884	76,824

14. Commitments, Contingencies and Contractual Obligations

Contractual Commitments: Acquisition of Interest in NBG

In 2010 the Company entered into an agreement with Gladioli Enterprises Sdn Bhd ("Gladioli"), as amended on 20 May 2011 and 20 January 2012 and amended and restated on 12 May 2013, to acquire additional interests in NBG to take the Company's equity-adjusted interest to 93.55% by September 2015, subject to payments totalling $35,000,000 to be made in several tranches. As at November 2016, $7,600,000 remained outstanding.

In November 2016 the Company entered into an amended acquisition agreement with Gladioli, with the terms summarised as follows:

Further payments will be made as follows to Gladioli:

a) with respect to the Tranche Four B Shares, CAD$500,000 was paid on 30 June 2017;

b) CAD$750,000 less an amount equal to MYR111,150 retained by the Company in repayment of a Gladioli loan upon lifting of the CTO;

c) with respect to the Tranche Four C Shares, CAD$1,250,000 on the tenth Business Day following a Qualified Financing (defined as "an issuance from treasury of common shares of Besra at a price per share of not less than CAD$0.02 and resulting in gross proceeds to Besra of at least CAD$5,000,000") provided that if there is no Qualified Financing prior to the settlement of the Tranche Four C Shares, then the settlement date for the Tranche Four C Shares shall be the same date as the settlement date for the Tranche Four D Shares; and

d) with respect to the Tranche Four D Shares, CAD$3,500,000, plus common shares of Besra at a price per common share equal to the Listing Price having an aggregate value of CAD$2,000,000 on the tenth Business Day after the date of the Relisting.

The balance of commitments in respect of the acquisition of a further interest in NBG at 30 September 2020 and 30 June 2020 are 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 202**1** as part of the Group's capital raising plans, which include an IPO on the Australian Stock Exchange in 2020. As part of the IPO, all secured debts and remaining unsecured notes, including the Bridge Notes, will be exchanged for new post consolidation common shares in the Company.

Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur.

15. 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 2020, 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.

Financial Instruments

The fair value of interest-bearing loans and convertible notes approximated the carrying value at 30 September 2020 and 30 June 2020 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	Liabilities at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	223,447	-	223,447
Tax and other receivables	34,438	-	34,438
Balance 30 September 2020	**257,885**	**-**	**257,885**
Liabilities			
Payables and accruals	(5,431,881)	-	(5,431,881)
Loans and borrowings	(3,299,619)	-	(3,299,619)
Derivative liabilities	-	(11,610,276)	(11,610,276)
Balance 30 September 2020	**(8,731,500)**	**(11,610,276)**	**(20,341,776)**

in USD	Loans and Receivables	Instruments at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	31,260	-	22,467
Tax and other receivables	28,147	-	3,337
Balance 30 June 2020	**59,407**	**-**	**59,407**
Liabilities			

Payables and accruals	(5,617,142)	-	(5,617,142)
Loans and borrowings	(2,015,066)	-	(2,015,066)
Derivative liabilities	-	(11,456,461)	(11,456,461)
Balance 30 June 2020	**(7,632,208)**	**(11,456,461)**	**(19,088,669)**

16. 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.

17. Events After the Reporting Date

A central component of the Capital Restructuring is approval of the holders of 3% unsecured convertible notes ("Creditors Noteholders") with a face value of CAD$47,485,886 to be exchanged for new common shares in the Company. An information circular was distributed to Creditors Noteholders dated October 16, 2020 and subsequently a supplement to the circular was distributed to Creditors Noteholders dated November 10, 2020 seeking approval for the exchange of the notes in full for 70,000,000 new common shares in the Company (on a post consolidation basis).

The meeting was due to be held on November 16, 2020 but was adjourned before considering the relevant resolution. The meeting is expected to be reconvened on November 30, 2020.

As part of the Reorganisation, the Company proposes to seek an extension to the maturity date of the Bridge Notes to February 28, 2021 to enable the completion of an IPO. At the annual special meeting of shareholders dated September 10, 2020 shareholders approved the consolidation of the Company's capital on the basis of one post consolidation share for every two hundred and fifty (250) pre consolidation shares or such lesser ratio as the board of directors of the Company approve. However, on November 23, 2020 the Company's directors approved a consolidation of the Company's capital on the basis of one post consolidation shares for every one hundred and thirty-seven point four seven (137.47) pre consolidation shares.

There have been no other significant events after the reporting date.

18. Covid-19

The current Covid-19 pandemic has impacted on the financial affairs of the Company and may be expected to have a short to medium term impact on the affairs of the Company. This Is considered in further detail in year-end financial statements for June 2020.