BESRA GOLD INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 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 for the six months ended 31 December 2020 have been reviewed by the Company's auditors in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The comparative interim consolidated financial statements for the six-month ended 31 December 2019 are unaudited and not subjected to a review.

BESRA GOLD INC.

Condensed Interim Consolidated Statement of Financial Position

in USD	Notes(s)	As at 31 December 2020	As at 30 June 2020
ASSETS			
Current			
Cash and cash equivalents		38,675	31,260
Tax and other receivables		37,635	28,147
Prepaid expenses		7,486	7,486
		83,796	**66,893**
Non-current			
Property plant and equipment		21,583	32,599
Exploration & evaluation	4	17,506,422	17,506,422
		17,528,005	**17,539,021**
TOTAL ASSETS		**17,611,801**	**17,605,914**
LIABILITIES			
Current			
Trade and other payables	5	5,927,463	5,617,142
Derivative liability	7	12,042,105	11,456,461
Loans and borrowings	6	3,445,383	2,015,066
		21,414,951	**19,088,669**
TOTAL LIABILITIES		**21,414,951**	**19,088,669**
EQUITY			
Issued capital	9	141,517,358	141,517,358
Reserves	9	(20,563,257)	(20,563,257)
Deficit		(123,346,885)	(121,011,748)
		(2,392,784)	(57,647)
Non-controlling interest		(1,410,366)	(1,425,108)
TOTAL EQUITY		**(3,803,150)**	**(1,482,755)**
TOTAL LIABILITIES AND EQUITY		**17,611,801**	**17,605,914**

For and on behalf of the Board

_______________ Director _______________ Director

Dated 1 March 2021

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	Six Months to 31 December	
		2020	2019
Revenue		-	-
Corporate and administrative expense		1,584,571	705,710
Exploration expense		(113,922)	-
Depreciation and amortization		11,017	11,000
Finance charges	10	110,882	-
Derivative fair value revaluation		727,847	26,240
LOSS BEFORE INCOME TAX		**(2,320,395)**	**(742,950)**
Income tax (recovery)	8	-	-
NET LOSS FOR THE PERIOD		**(2,320,395)**	**(742,950)**
COMPREHENSIVE LOSS FOR THE PERIOD		**(2,320,395)**	**(742,950)**
Total comprehensive income (loss) for the period attributable to:			
Shareholders of the parent		(2,335,137)	(738,713)
Non-controlling interests		14,742	(4,237)
Basic (loss) per share	11	(0.266)	(0.084)
Diluted (loss) per share	11	(0.227)	(0.072)

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)	Six Months Ended 31 December 2020	Six Months Ended 31 December 2019
OPERATING ACTIVITIES			
Total Comprehensive (loss) for the period		(2,320,395)	(742,950)
Items not affecting Cash			
Depreciation & amortization		11,017	11,000
Interest on loans	10	(37,372)	-
Unrealised Foreign Exchange		167,803	-
Derivative revaluation		727,847	26,240
Changes in non-cash working capital balances			
Trade and other receivables and other financial assets		(9,488)	-
Trade and other payables		310,321	551,410
Cash used in operating activities		**(1,147,267)**	**(154,300)**
INVESTING ACTIVITIES			
Exploration and evaluation costs		-	-
Cash used in investing activities		**-**	**-**
FINANCING ACTIVITIES			
Proceeds from financing loan	12	1,345,756	169,060
Repayment of loan	12	(192,203)	-
Cash provided by financing activities		**1,153,553**	**169,060**
Increase in cash during the period		6,286	14,760
Cash - beginning of the period		**31,260**	**22,647**
Effect of foreign exchange rate changes on cash		1,130	(81)
Cash - end of the period		**38,675**	**37,226**

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	-	-	(2,335,137)	14,742	(2,320,395)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss)	-	-	(2,335,137)	14,742	(2,320,395)
Balance at 31 December 2020	**141,517,358**	**(20,563,257)**	**(123,346,885)**	**(1,410,366)**	**(3,803,150)**
Balance at 1 July 2019	**141,517,358**	**(20,563,257)**	**(119,499,894)**	**(1,398,140)**	**56,067**
(Loss) for the period	-	-	(738,713)	(4,237)	(742,950)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss)	-	-	(738,713)	(4,237)	(742,950)
Balance at 31 December 2019	**141,517,358**	**(20,563,257)**	**(120,238,607)**	**(1,402,377)**	**(686,883)**

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 six months ended 31 December 2020 ("Interim consolidated financial statements"), 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 31 December 2020 Interim consolidated 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 for the period is located at Level 1, 63 Fort St, Auckland, New Zealand.

These interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting* (IAS 34). They do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the Consolidate financial statements for the year ended 30 June 2020.

New standards adopted at 1 July 2020

There were no new Standards or pronouncements which have a significant impact on the Group's financial results or position.

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 and the entities it controls will be able to realize its assets and discharge its liabilities in the normal course of business.

During the six-month period ended 31 December 2020, the Group made a loss of $2,320,395 (2019: loss of $742,950). As at 31 December 2020, the Group's current liabilities exceeded its current assets by $21,331,155 (as at 30 June 2020: $19,021,776). Cash and cash equivalents on hand at 31 December 2020 is $38,675 (30 June 2020: $31,260).

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.

Adoption of the going concern basis for the interim consolidated 31 December 2020 financial statements is dependent on the following:

- Obtaining sufficient funding for working capital purposes over the period until the initial public offering ("IPO") of the Company's common shares on the Australian Securities Exchange. A loan facility of $AU300,000 was arranged in January 2021 for this purpose ('Incor Services loan').

  The Incor Services loan is unsecured, with an interest rate of 12% per annum, payable on termination of the loan. Loan repayment occurs on either of listing (refer below) or 31 March 2021. The first tranche of $AU75,000 was received on 15 January 2021 with the balance available to meet the Company's working capital requirements through to listing.

- Pangaea Holdings Limited not acting on a subsisting event of default under the Exit Financing Note – As previously disclosed in the 30 June 2020 financial statements, Pangaea Holdings Limited has confirmed that it is waiving its right to act on its security and will not call on the amount outstanding providing the IPO proceeds as expected;

- 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 IPO of the Company's common shares on the Australian Securities Exchange ("ASX"). On July 7, 2020 the Company closed an AUD$2,532,000 financing consisting of zero coupon secured convertible subordinated notes ("Bridge Notes"). As part of the Reorganization the Company intends to obtain an extension to the maturity date of the Bridge Notes from the existing maturity date of February 28, 2021 to May 30, 2021 to enable the completion of an IPO.

- Successful 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. A meeting of Noteholders held on December 3, 2020 approved the exchange of the notes in full for 70,000,000 new common shares in the Company (on a post-consolidation basis). The approval was subject to ASX conditional listing approval being granted ("Condition") by February 28, 2021. A meeting of Noteholders was called for February 19, 2021 to extend the date for satisfaction of the Condition to May 30, 2021. The meeting has been adjourned to March 18, 2021.

- 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. The listing process is currently in progress and is expected to be completed in the second quarter of calendar 2021.

As a result, the Directors conclude that the Company remains a going concern.

The dependency on the above forecasted events and cash flows creates a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

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 % 31 Dec 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 years ended 30 June 2020 and 30 June 2019 the liabilities were valued using an income approach to calculate the fair value which prorates 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). The change in the fair value of the liabilities has not significantly changed since 30 June 2020 and therefore no adjustment was considered necessary by management.

4. Exploration & Evaluation

in USD	6 Months Ended 31 December 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 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.

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.

A potential impairment occasioned by the potential revocation of four mining licenses to facilitate the establishment of the Dered Krian National Park ("Park") has a near-term adverse impact upon Bau, 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 2019 the Management 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.

Management 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 based on a pre-IPO valuation was $17.5 million. 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 discounted for their assessment of the sovereign risktaking 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 approximately $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 November 2020. This process ascribed an asset value of approximately $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.

A review for the year ended 30 June 2020 and the 6 months ended 31 December 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 directors conclude that no impairment is required for the 6 months ended 31 December 2020.

5. Trade & Other Payables

in USD	As at 31 December 2020	As at 30 June 2020
Trade payables	2,182,649	2,280,296
Taxes and government fees	12,538	21,433
Accruals and other payables	3,732,276	3,315,413
Total	**5,927,463**	**5,617,142**

6. Convertible Notes, Interest Bearing Loans & Borrowings

in USD	As at 31 December 2020	As at 30 June 2020
Current Liabilities		
Secured Convertible Notes	-	529,530
Bridge Notes 2020	1,952,418	-
Other current indebtedness (unsecured)	1,492,965	1,485,536
Total	**3,445,383**	**2,015,066**

Secured convertible notes

On 31 October 2019, the Company closed a CAD$500,000 financing which consisted of the issuance of a zero-coupon secured convertible note (the "Convertible Note") in the principal amount of CAD$500,000. The Convertible Note has a maturity date of 30 June 2020 at such date the amount payable is 125% of the principal owed.

The Holder, subsequent to balance date, directed the Company to pay all money owed to it under the 31 October 2019 convertible note, as subscription funds to the new capital raising that closed in July 2020 ('the Bridge Notes').

The Company also received AUD$100,000 in June 2020 which formed part of the AUD$2,532,000 capital raising of zero-coupon secured convertible subordinated notes (the 'Bridge Notes 2020') which closed after 30 June 2020.

Bridge Notes 2020

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 28 February 2021 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.

Other Current Indebtedness (Unsecured)

North Borneo Gold Debt Notes

North Borneo Gold Debt Notes ("NBG Debt Notes") carried at $425,639 in 2020 (2019: $414,046), have a term of four (4) years to November 2020, bear interest of three percent (3%) per annum, calculated and payable on maturity.

Advances

Clients of Novus Capital have made unsecured advances of $850,702 (2019: $800,821) for working capital. They are repayable on demand and have an interest rate of 12% per annum payable on maturity.

7. Derivative Liabilities

in USD	As at 31 December 2020	As at 30 June 2020
Current Asset		
Convertible Note (secured)	1,961,433	1,972,972
Exit financing Note (secured)	9,941,109	9,347,263

Creditor convertible notes (unsecured)	139,563	131,226
Total	**12,042,105**	**11,456,461**

For the years ended 30 June 2020 and 2019 and the six months ended 31 December 2020, the derivative liabilities were valued using an income approach to calculate the fair value which incorporates both the timing and risk of receiving the expected payoff amounts. The valuation used estimates to determine the possible future outcomes, the timing and expected proceeds, with the expected proceeds discounted using a risk-adjusted discount rate with the resulting present value probability weighted to arrive at the fair value. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

The main inputs into the valuation were

- the security held by the noteholders (refer below),
- the expected proceeds from an IPO of approximately $5.6 - $7.0 million, and ☒ using a discount rate between 25% to 30%

The sensitivity analysis based on the expected proceeds of $7 million with a variance in the discount rate of +/- 5% results in a value range of +/- $350,000.

For the year ending 30 June 2019 the main inputs into the valuation were

- the security held by the noteholders (refer below),
- the expected proceeds from an IPO of $7 million, and
- using a discount rate between 25% to 30%

The sensitivity analysis based on the expected proceeds of $7 million with a variance in the discount rate of +/- 5% results in a value range of +/- $350,000.

The details of the Convertible Note (secured), the Exit financing note (secured) and the Creditor convertible notes (unsecured) are set out in the Consolidated financial statements for the years ended 30 June 2020 and 2019.

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 $79,217,231 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 31 December 2020 is 26.5% (30 June 2020 and 31 December 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
Consolidation of shares	(1,196,128,191)	-
Balance 31 December 2020	**8,764,707**	**141,517,358**

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.

Reserves

in USD	Investment Premium Reserve	Total
Balance at 30 June 2020	(20,563,257)	(20,563,257)
Movement	-	-
Balance at 301 December 2020	**(20,563,257)**	**(20,563,257)**

10. Finance Charges

in USD	Six Months to 31 December	
	2020	2019
Interest on borrowings and notes	(34,372)	-
Borrowing costs	145,254	-
Total finance charges	**110,882**	**-**

11. Earnings Per Share

in USD	Six Months to 31 December	
	2020	2019
Basic loss per share attributable to Equity Owners:		
Loss for the period	2,335,137	738,713
Weighted average number of common shares outstanding	8,764,707	8,764,707
Basic loss per share	**0.266**	**0.084**

Basic loss per share is calculated by dividing the net 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 per share is based on basic loss per share adjusted for the potential dilution if shares held in escrow are transferred 10,281,689 (2019: 10,281,689) and warrants are exercised 2,425,830 (2019: 2,425,830). 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 31 December 2020.

in USD	Short term Borrowings	Derivatives	Total
Opening balances	2,015,066	11,456,461	13,471,527
Cash flows			
Proceeds	1,422,889	-	1,422,889
Repayments	(50,000)	(142,203)	(192,203)
Non-cash			
Accrued interest	57,428	-	57,248
Adjustment to Fair value	-	727,847	727,847
Balance 31 December 2020	**3,445,383**	**12,042,105**	**15,487,488**

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 considered to be Key Management Personnel and Pangaea Holdings Limited. The terms of the Exit Financing are such that it may be considered as having Significant Influence.

InCoR was an entity with Common Directors who were deemed to have a significant influence over the Group. These directors have resigned since balance date and the company is no longer deemed to have 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	Six Months to 31 December	
	2020	2019
Interest	-	-

Key Management

in USD	Six Months to 31 December	
	2020	2019
Management fees and salary expense	278,125	213,202
Amount payable	1,218,487	935,390

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 31 December 2020 and 30 June 2020 are payments totalling $4,212,439 and shares to a value of $1,541,200. To facilitate an ASX listing the amended acquisition agreement with Gladioli will require amendment to substitute the issue of 24-month restricted securities for the cash payments.

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 2021. 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 31 December 2020, the Group was dependent on the ongoing support of its financiers.

The tables below summarize the maturity profile of the Group's derivatives and financial liabilities based on contractual undiscounted payments and including estimated interest.

As at 31 December 2020:

in USD	Within 1 Year	1-5 Years
Other borrowings	3,445,383	-
Trade and other payables	5,917,463	-
	9,378,846	-
Financial derivatives	12,042,105	-
Total	**21,414,951**	**-**

As at 30 June 2020:

in USD	Within 1 Year	1-5 Years
Other borrowings	2,015,066	-
Trade and other payables	5,617,142	-
	7,632,208	-
Financial derivatives	11,456,5461	2,415,009
Total	**15,115,839**	**2,415,009**

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 31 December 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	38,676	-	38,676
Tax and other receivables	37,635	-	37,635
Balance 31 December 2020	**76,311**	**-**	**76,311**
Liabilities			
Payables and accruals	(5,927,463)	-	(5,927,463)
Loans and borrowings	(3,445,383)	-	(3,445,383)
Derivative liabilities	-	(12,042,105)	(12,042,105)
Balance 31 December 2020	**(9,372,846)**	**(12,042,105)**	**(21,414,951)**

in USD	At amortised cost	Liabilities at FVTPL	Total Carrying Value
Assets			
Cash and cash equivalents	31,260	-	31,260
Tax and other receivables	28,147	-	28,147
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

On 12 January 2021 the Company arranged a Fixed Interest Loan Agreement with Incor Services Limited for the sum of $AU300,000. Refer also Note 3 where the terms of the loan are covered in further detail.

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

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Independent Auditor's Review Report

To the Directors of Besra Gold, Inc.

Report on the Review of the Interim Financial Statements

Conclusion

We have reviewed the six-month period ended 31 December 2020 financial statements ("interim financial statements") of Besra Gold, Incorporated ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended on that date, and a summary of significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the six-month period ended on that date, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Statements section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, Besra Gold, Inc.

Other matter

The financial report for the six-month period ended 31 December 2019 has not been reviewed. As a result, we are not in a position to, and do not express, a review conclusion on the comparative figures for the six-month period ended 31 December 2019.

Material uncertainty relating to going concern

We draw attention to Note 3 in the interim consolidated financial statements, which indicates the Group incurred a net loss of $2.3m during the six month period ended 31 December 2020 and, as of that date, the Group's current liabilities exceeded its current assets by $21.3m. Further the Group is dependent on its ability to obtain financing to complete its initial public offering, raise sufficient cash through the issuance of share capital, the successful execution of the capital restructuring as approved by the shareholders, and Pangaea Holdings Limited not acting on the events of default under the Exit Financing note. These events or conditions, along with other matters as set forth in Note 3, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our review report is not modified in respect of this matter.

Directors' Responsibility for the Interim Financial Statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the interim financial statements in accordance with the International Financial Reporting framework and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with the International Financial Reporting Standards.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Brayden Smith.

Grant Thornton New Zealand Audit Limited

Grant Thornton

Wellington, New Zealand
1 March 2021