

ASX RELEASE

15 May 2024

Scarlette de Lavaine
Adviser, Listings Compliance
Level 40
Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Scarlette

BESRA GOLD INC ('BEZ') – ASX AWARE LETTER (REFERENCE: 93966)

We refer to your letter dated 9 May 2024 and respond to your questions as follows:

1. Does BEZ consider the remittance of US\$9,827,854.60 by Quantum pursuant to the terms of the GPA as disclosed in BEZ's 28 December 2023 announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Response to Question 1

Yes.

2. If the answer to question 1 is "no", please advise the basis for that view, commenting specifically on why BEZ marked the 28 December 2023 Announcement as 'price sensitive'.

Response to Question 2

Not applicable.

3. When did BEZ first become aware:
 - 3.1 of any delay to the planned remittance of the December Quantum GPA Instalment?

Response to Question 3.1

As there was no fixed date for the receipt of the December Quantum GPA Instalment, BEZ monitored the situation on a daily basis to confirm (or otherwise) receipt of the instalment. On 31 January 2024, BEZ informed the market in its December 2023 Quarterly Activities/Appendix 5B Cash Flow Report that the December Quantum GPA Instalment was 'to be received' but no expected date of receipt was disclosed at that time.

In order to respond to the March Price Query Announcement on 28 March 2024, the Company liaised with Quantum who confirmed that the December Quantum GPA Instalment was expected to be received by the Company in April 2024, following the opening in Australia by Quantum of a new US\$ bank account.

Prior to the release of the Company's next price sensitive market announcement, which was in the March 2024 Quarterly Activities/Appendix 5B Cash Flow Report that was released on 30 April 2024, the Company sought an update from Quantum as to the status of the December Quantum GPA Instalment. Quantum advised 20 minutes prior to the release of the March 2024 Quarterly Activities/Appendix 5B Cash Flow Report (which occurred on 30 April 2024 at 4:15pm (AWST)), that the December Quantum GPA Instalment was not expected to be transferred to the Company until May 2024 for the reason that it has been unable to open a US\$ bank account in Australia. Having been made aware of the delay to the receipt of the December Quantum GPA Instalment at this time, the Company immediately updated the market in the March 2024 Quarterly Activities/Appendix 5B Cash Flow Report of this delay.

- 3.2 that the December Quantum GPA Instalment would not be received in April 2024 as disclosed by BEZ in its Response to ASX Price Query?

Response to Question 3.2

Refer to response to Question 3.1 above.

4. If BEZ first became aware of the information referred to in question 3 before the date of the relevant announcements, did BEZ make any announcement prior to that date which disclosed the information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe BEZ was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps BEZ took to ensure that the Information was released promptly and without delay.

Response to Question 4

Not applicable.

5. Has a 'US\$ bank account in Australia' been successfully opened to permit GPA funds to be remitted from Quantum to BEZ?

Response to Question 5

No.

6. If the answer to question 5 is 'yes', please advise the date the account was opened?

Response to Question 6

Not applicable.

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7. If the answer to question 5 is 'no', when is the 'US\$ bank account' expected to be opened?

Response to Question 7

On 13 May 2024, Quantum advised the Company that it is proceeding with applications to open a US\$ bank account with both the Commonwealth Bank (CBA) and Bendigo Bank (Bendigo). Quantum indicated that the CBA US\$ account is awaiting activation and that Bendigo is conducting its Know Your Client process. Neither the Company, nor Quantum, is able to confirm the date that an Australian US\$ bank account will become active. However, the Company notes that Quantum has continued to progress the opening of the necessary accounts and kept the Company informed with respect to this process.

The Company will update the market in the event Quantum has not successfully opened an Australian US\$ bank account in May 2024 (as was the anticipated timing set out in its March 2024 Quarterly Activities Report).

8. Is it correct that BEZ has received no funds from Quantum pursuant to the GPA since November 2023?

Response to Question 8

Yes.

9. If the answer to question 8 is 'no', please provide details of funding received from Quantum pursuant to the GPA since November 2023.

Response to Question 9

Not applicable.

10. Noting the GPA does not oblige Quantum to make additional monthly deposits, does BEZ consider that Quantum has the ability to make such additional deposits?

Response to Question 10

Yes, subject to a US\$ bank account being opened.

11. If the answer to question 10 is 'yes', please explain the basis for BEZ reaching that conclusion, commenting specifically on the ongoing delay to the remittance of the December Quantum GPA Instalment to BEZ.

Response to Question 11

As disclosed in the Company's Quarterly Activities Report (lodged with ASX on 30 April 2024), Quantum confirmed that it has sufficient funds to meet the US\$9.8m payment and that the payment will be remitted to BEZ in May 2024, following the expected opening of a US\$ bank account in Australia.

Quantum further confirmed:

- *that it intends to renegotiate the weighted average gold price for the US\$9.8m deposit so that it reflects current gold prices; and*
- *its ongoing commitment to both BEZ and the GPA.*

12. Given the ongoing delay to the remittance of funds, please explain the basis for the following statement contained in the Response to ASX Price Query 'The US\$9,827,855 that was the subject of the December Announcement has not been received, but is expected to be received in April 2024.'

Response to Question 12

The basis for the statement made by BEZ in the Company's 28 March 2024 'Response to ASX Price Query' announcement is that it is a statement of fact that:

- i) the US\$9,827,855 had not been received; and*
- ii) that Quantum had advised BEZ that they expected to pay the US\$9,827,855 instalment during April 2024 because Quantum were of the view that a US\$ bank account in Australia would have been opened during April 2024.*

13. Please explain the basis for the following statement contained in BEZ's March 2024 Quarterly Activities Report '...the recommencement of further payments by Quantum under the US\$300m Gold Purchase Agreement (GPA) expected to re-commence [sic] in June/July 2024' commenting specifically on the following:

13.1 the ongoing delays to the receipt of the December Quantum GPA Instalment;

13.2 that no funds have been received pursuant to the GPA since November 2023;

13.3 that Quantum have remitted funds to BEZ in only two of a possible ten months since the GPA became binding; and

13.4 the GPA terms do not oblige Quantum to make additional payments to BEZ.

Response to Questions 13.1 – 13.4

As disclosed in the Company's Response to the ASX Price Query (lodged with ASX on 28 March 2024), the reason for the non-receipt of the US\$9.8m instalment is that Quantum's former Australian bank closed Quantum's Australian bank accounts in January 2024 without explanation.

Following Quantum's bank account closures, Quantum transferred US\$9,827,855 from Malaysia to its lawyers' US\$ trust account in Melbourne, unfortunately these funds were returned to Malaysia as the nature of the funds was to purchase gold, hence the bank rejected the transfer and returned the funds to Malaysia.

Quantum follows a set sequence with its fund transfers in order to meet its compliance (Sharia law) and gold purchases transactions which have been approved by the

Malaysia regulator. This strict process disallows funds being transferred directly to BEZ or any other entity.

Quantum is not legally obligated to make any payments pursuant to the GPA. Irrespective of that fact, Quantum has remitted to Besra a US\$5,000,000 deposit, a total of US\$20,646,326 pursuant to the GPA for the October and November 2023 instalments and unsuccessfully attempted to remit (in January 2024) a further US\$9,827,855 for the December 2023 instalment. As such, BEZ has received from Quantum a total of US\$25,646,326 pursuant to the GPA.

Whilst CDI approval for the GPA was received in July 2023, the GPA's conditions precedent were not satisfied until 20 September 2023 (refer ASX announcement entitled 'Conditions Precedent Satisfied' dated 20 September 2023). As such, the GPA has been operative for some 7 months (not 10 months as indicated in Section D and Question 13.3 of ASX's Aware Letter). Of those 7 months, Quantum has been unable to remit funds pursuant to the GPA since the commencement of January 2024 (being some 4-5 months) for the reasons set out above.

Significantly, as disclosed in the Company's Quarterly Activities Report, Quantum (as a 30% CDI holder) has confirmed its ongoing commitment to both BEZ and the GPA and that it will (subject to opening an Australian US\$ bank account) remit in May 2024 the US\$9.8m.

14. Please confirm that BEZ is complying with the Listing Rules and, in particular, listing rule 3.1.

Response to Question 14

BEZ confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

15. Please confirm that BEZ's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BEZ with delegated authority from the board to respond to ASX on disclosure matters.

Response to Question 15

BEZ's response to the questions have been authorised and approved by an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely

Michael Higginson
Company Secretary



9 May 2024

Reference: 93966

Mr Michael Higginson
Company Secretary
Besra Gold Inc.

By email

Dear Mr Higginson

Besra Gold Inc. ('BEZ'): ASX Aware Letter

ASX refers to the following:

- A. BEZ's announcement titled "Further Steps to Move 3Moz Bau Gold Project Closer to Production" (the 'GPA Announcement') released on the ASX Market Announcements Platform ('MAP') at 9:32 AM (AEST) on 9 May 2023 disclosing the following:
 - 1.1 BEZ (or the 'Company') and its wholly owned Malaysian subsidiary North Borneo Gold Sdn Bhd ('NBG') have today entered into a legally binding Gold Purchase Agreement ('GPA') with the Company's major shareholder, Quantum Metal Recovery Limited ('Quantum'), giving effect to the non-binding term sheet announced on 21 March 2023.
 - 1.2 Under the terms of the GPA, the Company has agreed to sell to Quantum a quantity of refined gold from Bau (or any other gold project owned by the Company or its subsidiaries at any time) until:
 - 1.2.1 3,000,000 ounces of refined gold has been received by Quantum; or
 - 1.2.2 aggregate deposits in an amount equivalent to US\$300,000,000 (the 'Facility') have been received by the Company from Quantum.
 - 1.1 On and from the satisfaction of the Conditions Precedent, Quantum is to provide cash payments in an amount, or amounts, not exceeding (in aggregate) US\$10,000,000 per month to acquire additional refined gold from the Company up to the maximum deposit limit of US\$300,000,000.
 - 1.2 The indicative timetable disclosed BEZ expected the Facility to be "fully operational" inclusive of the first drawdown of US\$10,000,000 by 30 June 2023.
- B. BEZ's announcement released on MAP on 28 December 2023 entitled 'Further US\$9.8m to be received from Quantum' disclosing that '*...Quantum is to remit a further US\$9,827,854.60 to Besra.*' ('December Quantum GPA Instalment').
- C. Since the GPA became binding in July 2023, BEZ has disclosed the receipt of (excluding the initial deposit funds of \$USD 5m) two funding instalments from Quantum pursuant to the GPA as depicted below:
 - 1.1 the receipt of US\$10,000,000 from Quantum as announced on MAP on 11 October 2023; and
 - 1.2 the receipt of US\$10,646,325.65 from Quantum as announced on MAP on 27 November 2023.
- D. ASX understands Quantum has provided funds to BEZ in two out of a possible 10 months since the GPA became binding.
- E. The market announcement titled "Response to ASX Price Query" (the 'March Price Query Announcement') released on MAP at 9:46 AM (AEST) on 28 March 2024 disclosing the following:

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- 1.1 That the Securities Commission Malaysia ('SC') released a press release dated 24 March 2024 directing founder and director Dato Lim Khong Soon and Lim Hock Seng to immediately desist the offering of Quantum Metal Exchange Inc ('QMEI') shares to the Malaysian public (Quantum is an entity associated with QMEI). The QMEI share offer was in contravention of the securities laws and was being carried out without seeking recognition and registering disclosure documents with the SC, contravening section 212(5) of the Malaysian Capital Markets & Services Act 2007.
- 1.2 The US\$9,827,855 that was the subject of the December Announcement has not been received, but is expected to be received in April 2024, following the opening in Australia by Quantum of new USD bank accounts as a result of Quantum's former Australian bank closing its accounts without explanation in January 2024.
- 1.3 After the Australian bank closed Quantum's accounts, Quantum transferred funds from Malaysia to its lawyers USD trust account in Melbourne to purchase gold. The transfer was rejected and the funds were returned to Malaysia.
- 1.4 BEZ stated that Quantum adheres to a set sequence when transferring funds from Malaysia to remain compliant with Sharia Law and regulatory requirements. This process disallows the direct transfer of funds between Quantum and BEZ.
- F. BEZ's announcement titled "Quarterly Activities/Appendix 5B Cash Flow Report" released on MAP at 6:34 PM (AEST) on 30 April 2024 disclosing that the December Quantum GPA Instalment has still not been received and is '*...to be paid by Quantum in May 2024 following the anticipated opening of USD bank account in Australia*'
- G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- H. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- I. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following 5 situations applies:*
- It would be a breach of a law to disclose the information;*
 - The information concerns an incomplete proposal or negotiation;*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - The information is generated for the internal management purposes of the entity; or*
 - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- K. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks BEZ to respond separately to each of the following questions:

1. Does BEZ consider the remittance of US\$9,827,854.60 by Quantum pursuant to the terms of the GPA as disclosed in BEZ’s 28 December 2023 announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view, commenting specifically on why BEZ marked the 28 December 2023 Announcement as ‘price sensitive’.
3. When did BEZ first become aware:
 - 3.1 of any delay to the planned remittance of the December Quantum GPA Instalment? Please provide a specific date and time BEZ first became aware of any delay to the planned remittance.
 - 3.2 that the December Quantum GPA Instalment would not be received in April 2024 as disclosed by BEZ in its Response to ASX Price Query? Please provide a specific time and date BEZ first became aware funds would not be remitted to BEZ during April 2024.

Please answer separately for each of the items in question 3 above.

4. If BEZ first became aware of the information referred to in question 3 before the date of the relevant announcements, did BEZ make any announcement prior to that date which disclosed the information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe BEZ was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps BEZ took to ensure that the Information was released promptly and without delay.
5. Has a ‘US\$ bank account in Australia’ been successfully opened to permit GPA funds to be remitted from Quantum to BEZ?
6. If the answer to question 5 is ‘yes’, please advise the date the account was opened?
7. If the answer to question 5 is ‘no’, when is the ‘US\$ bank account’ expected to be opened? Please provide an expected date.
8. Is it correct that BEZ has received no funds from Quantum pursuant to the GPA since November 2023?
9. If the answer to question 8 is ‘no’, please provide details of funding received from Quantum pursuant to the GPA since November 2023.
10. Noting the GPA does not oblige Quantum to make additional monthly deposits, does BEZ consider that Quantum has the ability to make such additional deposits?
11. If the answer to question 10 is ‘yes’, please explain the basis for BEZ reaching that conclusion, commenting specifically on the ongoing delay to the remittance of the December Quantum GPA Instalment to BEZ.

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12. Given the ongoing delay to the remittance of funds, please explain the basis for the following statement contained in the Response to ASX Price Query *'The US\$9,827,855 that was the subject of the December Announcement has not been received, but is expected to be received in April 2024.'*
 13. Please explain the basis for the following statement contained in BEZ's March 2024 Quarterly Activities Report *'...the recommencement of further payments by Quantum under the US\$300m Gold Purchase Agreement (GPA) expected to re-commence [sic] in June/July 2024'* commenting specifically on the following:
 - 13.1 the ongoing delays to the receipt of the December Quantum GPA Instalment;
 - 13.2 that no funds have been received pursuant to the GPA since November 2023;
 - 13.3 that Quantum have remitted funds to BEZ in only two of a possible ten months since the GPA became binding; and
 - 13.4 the GPA terms do not oblige Quantum to make additional payments to BEZ.
 14. Please confirm that BEZ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 15. Please confirm that BEZ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BEZ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Wednesday, 15 May 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BEZ's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require BEZ to request a trading halt immediately if trading in BEZ's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BEZ's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BEZ's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BEZ's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance