

**BESRA GOLD INC.  
NON-RENOUNCEABLE RIGHTS  
ENTITLEMENT OFFER\*  
25 November, 2022**

*\*Not for release to US wire services or distribution within the United States.*

# IMPORTANT NOTICES

## **This Presentation and the upcoming offer**

This presentation (Presentation) has been prepared by Besra Gold Inc (ARBN 141 335 686) (Company or Besra) in relation to non-renounceable entitlement offer of fully paid CHESS depositary interests (CDIs) over equivalent common shares in the Company (Common Shares), at an offer price of \$0.05 per CDI (New CDIs), to raise approximately AUD\$5.1 million (before costs) (Entitlement Offer). The Entitlement Offer is made to eligible securityholders in Australia, Canada, New Zealand, Malaysia, Belize, the United Kingdom and the United States (Connecticut, Florida, Minnesota, New York and Texas only) on the basis of 1 New CDI for every 3 CDIs or 3 Common Shares held as at the record date of 5:00pm (AWST) on Thursday, 1 December 2022 (Eligible Securityholders).

The Entitlement Offer closes at 5:00pm (AWST) on Tuesday, 20 December 2022 (unless otherwise extended). The Entitlement Offer is underwritten by Quantum Metal Recovery Inc. (Quantum).

Neither the Australian Securities and Investments Commission (ASIC) nor the ASX (or their respective officers) take any responsibility for the contents of this Presentation, or the merits of the investment to which this Presentation relates.

## **Summary information only**

This Presentation contains summary information only about the Company and its associated entities and their activities. The information is only current as at the date of this Presentation. The information contained in this Presentation is of a general nature and does not purport to include or summarise all information that an investor should consider when making an investment decision. The Presentation does not contain all the information which would be required in a product disclosure statement, prospectus or other disclosure document prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act).

The information contained in this Presentation should, where possible, be read in conjunction including the “Offer Booklet – Entitlement Offer” expected to be released on 6 December 2022 (Offer Booklet), and other publicly available information which has been endorsed and approved by the Company. Where you are unable to obtain this other publicly available information, you should contact the Company.

## **References to “you” and “your Entitlement”**

In this Presentation, references to “you” are references to Eligible Securityholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Securityholders (as defined in Section 7.2 of the Offer Booklet).

## **CDIs**

Each CDI will represent one underlying Common Share. The New CDIs offered under the Offer Booklet will be issued to investors in the form of CDIs so that those investors may trade the CDIs on ASX and settle transactions through CHESS. Note that in this Presentation, the terms “Common Shares” and “CDIs” may be used interchangeably, except where the context requires otherwise.

## **Presentation is not an offer**

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law or any other law and will not be lodged with ASIC. This Presentation is not and should not be considered an offer or an invitation to acquire New CDIs or any other financial product and neither this Presentation nor its contents will form the basis of any such contract or commitment. This Presentation may not be released to US wire services or distributed in the United States. The New CDIs have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The distribution of this presentation in the United States and elsewhere outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. See Appendix 2 “Offer Restrictions” for more information.

## **Not investment advice**

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company. This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire New CDIs. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person’s individual investment objectives, financial situation or particular needs. Before making an investment decision, potential investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and tax advice appropriate to their jurisdiction. Cooling off rights do not apply to applications for New CDIs.

## **Investment risk**

There are a number of risks specific to the Entitlement Offer, the Company and of a general nature which may affect the future operating and financial performance of the Company and the value of an investment in the Company, including but not limited to the risks identified in the “Key Risks” section of this Presentation. Potential investors should have regard to those risks when making their investment decision.





# IMPORTANT NOTICES (Cont'd)

## Trading New CDIs

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New CDIs they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company, CDN or the Registry or otherwise, or who otherwise trade or purport to trade New CDIs in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

## Jurisdictions

This Presentation does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the New CDIs, or otherwise permit a public offering of the New CDIs, in any jurisdiction outside of Australia. This Presentation may not be distributed outside Australia except as may be permitted as outlined in Appendix 2 to this Presentation.

## JORC

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.

## Competent Person's statement

The information in this Presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Kevin J. Wright, a Competent Person who is a Fellow of the Institute of Materials, Minerals and Mining (FIMMM), a Chartered Engineer (C.Eng), a Chartered Environmentalist (C.Env), and registered Environmental Consultant in the State of Sarawak Malaysia. Mr. Wright is a consultant to Besra. Mr. Wright has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition) of the Australasian Code for Reporting of Exploration Results, and a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Kevin J. Wright consents to the inclusion in this Presentation of the matters based on his information in the form and context that it appears.

## Future performance and forward-looking statements

This Presentation contains certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds..

Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Besra, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" included in Appendix 2 of this Presentation for a non-exhaustive summary of certain general and specific risk factors that may affect the Company. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures.

The forward-looking statements are based on information available to the Company as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to supplement, revise or update or otherwise forward-looking statements, regardless of whether new information, future events or results or other actors affect the information contained in this Presentation.

## Past Performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Company performance including future share price performance.

## Currency

Unless otherwise stated, all dollar values in this Presentation are in Australian dollars.

## Times and dates

Times and dates in this Presentation are indicative only and subject to change. All times and dates refer to AWST. Refer to the "Indicative Timetable" section of the Offer Booklet for more details.





Besra Gold Inc “Besra”, an ASX public listed company (ASX:BEZ), holds a 92.8% interest in North Borneo Gold Sdn Bhd, through its 100% owned subsidiary, and in turn in the highly prospective Bau Gold Field corridor in Sarawak State, Federation of Malaysia.

Besra’s interest comprises:

- Over 3Mil Oz Au Mineral Resource inventory in 5 key projects, hosted within 8km x15km mineralised corridor, subject to >250,000m of drilling, extensive geological, geochemical and geophysical survey coverages.
- Jugan Project 2021-2022 DDH results confirmed stand-alone potential for shallow open-pit development of 960koz Au Mineral Resource. Draft EIA completed for on-site processing pilot plant and pit construction - part of metallurgical review, Mineral Resource update and commencement of Definitive Feasibility Study.
- Multi-prospect delineation drilling to target under-explored mineralised hydrothermal feeder systems - 80% of Bau Gold Field Corridor Resource inventory is identified by historical shallow drilling within 90m of surface .
- Strategically located, 30km to major infrastructure & administration centres of Sarawak’s capital , Kuching; ready access to international airport, deep water ports, reticulated water and power, and heavy industry services.
- Experienced locally sourced professional and skilled workforce many with a long history of direct involvement with Bau Gold Field mining activities.
- Long connection and growing ties with the Bau district community, most recently culminating with Quantum becoming a substantial shareholder and underwriter to this Entitlement Offer.





# COMPANY SNAPSHOT

Board of Directors	Position
Andrew Worland	Non-Exec Chairman
John Seton	Exec Director
Jon Morda	Non-Exec Director
Paul Ingram	Non-Exec Director

Type	Number	Exercise price \$	Expiry
Existing Common Shares currently on issue*	305,241,640	N/A	N/A
Number of New CDIs to be issued under the Entitlement Offer (including Shortfall)	101,747,213	N/A	N/A
Number of Common Shares on issue on completion of the Entitlement Offer	406,988,853	N/A	N/A
BEZAF: Class A Performance Rights*	2,600,000	Nil	8 October 2023
BEZAG: Class B Performance Rights*	3,650,000	Nil	8 October 2024
BEZAD: Class A Incentive Options*	3,625,000	\$0.30	8 October 2026
BEZAC: Lead Manager, Broker and Bonus Options*	7,142,275	\$0.25	8 October 2025
BEZAE: Class B Incentive Options*	3,625,000	\$0.40	8 October 2026

\* The number of Common Shares on issue includes 53,127,907 CDIs which are restricted securities and therefore, cannot be traded on the ASX until the end of their escrow period and Common Shares with respect to which no CDIs have been issued over. The performance rights and options are all restricted securities and therefore, any CDIs issued on their exercise cannot be traded on the ASX until the end of their escrow period.





## INDICATIVE TIMETABLE OF IMPORTANT DATES\*

Announcement of the Entitlement Offer	Friday, 25 November 2022
CDIs quoted on an 'ex' Entitlement basis	Wednesday, 30 November 2022
Record Date for Entitlement Offer (5:00pm AWST)	Thursday, 1 December 2022
Entitlement Offer opens and dispatch of Offer Booklet	Tuesday, 6 December 2022
Entitlement Offer Closing Date (5:00pm AWST) Applications under Shortfall Facility also due	Tuesday, 20 December 2022
New CDIs quoted on a deferred settlement basis	Wednesday, 21 December 2022
Results of Entitlement Offer announced to the ASX	Thursday, 29 December 2022
Issue of New CDIs under the Entitlement Offer Deferred settlement trading ends	Thursday, 29 December 2022
Expected trading of New CDIs issued under the Entitlement Offer on a normal settlement basis	Wednesday, 30 December 2022

*\* Timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times subject to applicable laws. Quotation of the New CDIs is subject to confirmation from ASX.*





Entitlement Offer	Entitlement for CDI and Common Share Securityholders to subscribe for 1 New CDI for every 3 CDIs or 3 Common Shares held to raise approximately AUD\$5.1 million, before costs.
Eligibility	Securityholders with a registered address in Australia, New Zealand, Belize, Canada (accredited investors only) Malaysia, United Kingdom and the United States (Connecticut, Florida, Minnesota, New York and Texas only) on the Company's register at the record date of 5:00pm (AWST) on Thursday, 1 December 2022.
Offer Price	\$0.05 per New CDI which represents a discount of 10.71% to the closing price of \$0.056 on 24 November 2022, and a 33.52% discount to the 15 day VWAP of \$0.075 up to and including 24 November 2022.
Shortfall Facility	There is a Shortfall Facility for Eligible Securityholders who subscribe in full for their Entitlement Offer, pursuant to which they may also apply for additional New CDIs.
Underwriter	The Offer is fully underwritten by Quantum Recovery Metal Inc, and Quantum agrees to subscribe for its full entitlement.*

\*The underwriting is subject to Quantum's right to terminate the Underwriting Agreement in the circumstances summarised in Appendix 3 of this Presentation.





# QUANTUM UNDERWRITING

- The Entitlement Offer is fully underwritten by Quantum.
- Quantum is a US based corporation and part of a group whose principals are based in Malaysia, with strong relationships to Sarawak stakeholders including within the district of Bau.
- Quantum is a major securityholder of the Company, holding 53,673,533 CDIs as at the date of this Presentation (representing approximately 17.58% of the total number of Common Shares on issue).
- As announced on 25 November 2022, the Company is in advanced discussions with Quantum pursuant to which it is proposed that Quantum may provide up to US\$300m in financial support by way of a gold offtake purchase facility. Further details are in the Company's announcement dated 25 November 2022
- The underwriting agreement is subject to Quantum's right to terminate in certain circumstances. A summary of the termination events is set out in Appendix 3 of this Presentation.

Quantum CDI holding	Number of CDIs	% of total Common Shares on issue**
As at the date of this Presentation	53,673,533	17.58
Quantum's entitlement under the Entitlement Offer	17,891,178	-
Maximum number of CDIs to be issued to Quantum pursuant to its underwriting of the Entitlement Offer*	101,747,213	-
Maximum total after completion of the Entitlement Offer*	155,420,746	38.19

\* Assuming that Quantum subscribes for its full entitlement under the Entitlement Offer, no other securityholders subscribe for their entitlements and Quantum subscribes for the full underwritten amount, its securityholding in the Company will increase to 155,420,746 CDIs (representing approximately 38.19% of the total number of CDIs on issue).

\*\* Including CDIs which are restricted securities.



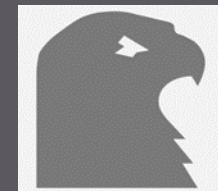


## Use of Funds

Item	Amount
Jugan Resource Review & Feasibility Studies	\$475,000
Jugan Test Processing Plant*	\$1,500,000
Resource exploration and drilling	\$1,250,000
In-country administration and overheads	\$700,000
General working capital and administration expenses	\$687,000
Costs of the Entitlement Offer	\$475,000
<b>Total</b>	<b>\$5,087,000</b>

\* Prior EIA approval is required before commencement of activities.

The Company reserves the right to change the use of funds at its absolute discretion.





## LARGE GOLD PRODUCING CORRIDOR

Widespread , + 3Moz gold endowment across historical mining corridor underpinned by extensive regional hydrothermal system.

Entitlement Offer to provide funding:

- Fast tracking 960koz Jugan as a stand-alone shallow open-pit opportunity.
- Pursuing deeper, higher grade “feeder” systems beneath existing shallow Resources.



## MATURE PROJECT

Jugan Mature Exploration Project with historical Pre-feasibility study. 2021-2022 DDH program confirms stand-alone potential.

Entitlement Offer to provide funding:

- Fast tracking on-site establishment of pilot plant processing & open pit for metallurgical studies.
- Resource update and commencement of DFS.



## ESTABLISHED INFRASTRUCTURE

Strategically located close to Kuching’s infrastructure precinct. Ready access to international airport, deep water port facilities, power, water, heavy industry service providers.

Bau township has highly skilled mining sector work-force as well as drilling and earthmoving contractors.



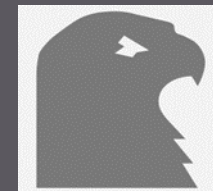
## STRONG LOCAL INVESTOR SUPPORT

The long history of Bau district mining involvement, provides very experienced JV partnership and significant in-country profile .

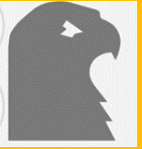
Recently strengthened with Quantum Recovery Metal Inc. becoming a substantial securityholder of Besra & underwriter to this Entitlement Offer.



<b>Pro-forma Balance Sheet</b>	<b>Audited, USD\$ June 30, 2022</b>	<b>Pro-Forma, USD\$ June 30, 2022</b>
Current Assets	885,066	3,775,000
Non-current Assets	18,916,447	18,296,447
<b><u>TOTAL ASSETS</u></b>	19,802,152	22,296,447
Current Liabilities	694,856	620,719
Non-Current Liabilities	49,500	49,500
<b><u>TOTAL LIABILITIES</u></b>	744,356	670,219
<b>NET ASSETS AND SECURITY HOLDERS EQUITY</b>	<b>19,057,796</b>	<b>22,021,228</b>







## **BESRA'S GROWTH STORY**

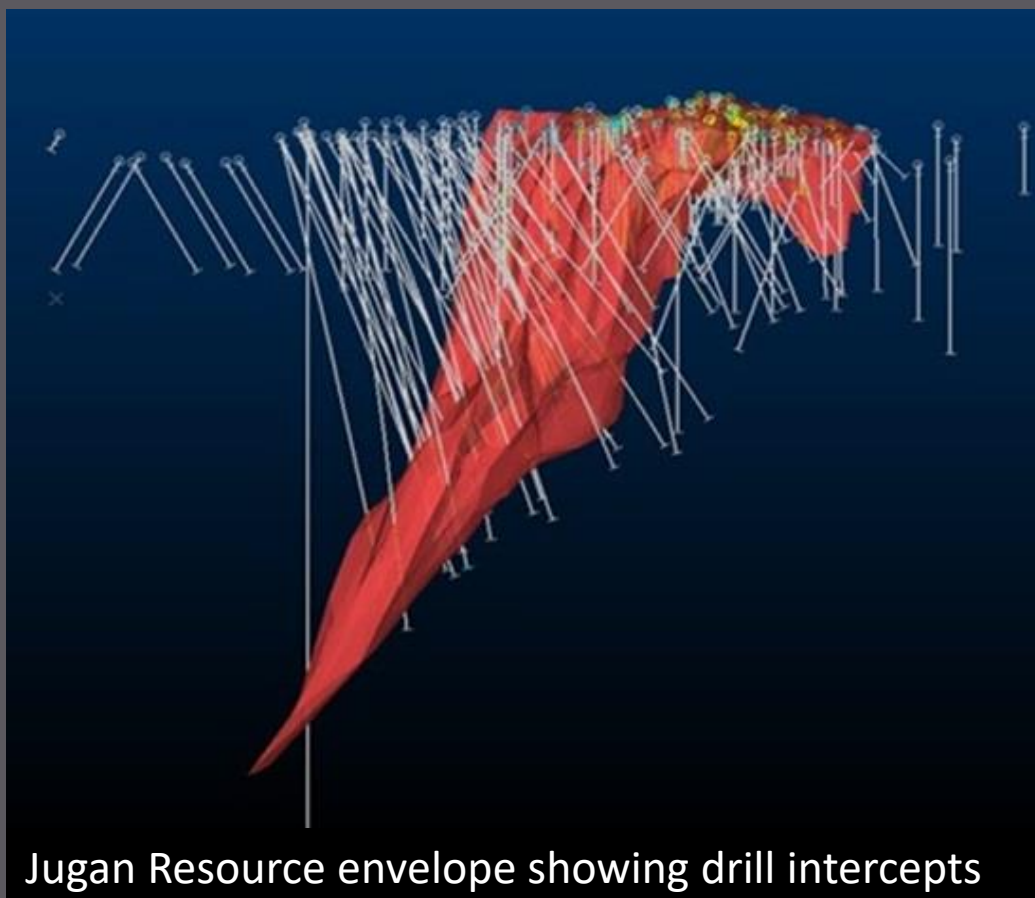






## JUGAN PROJECT

Besra's foundation project for our 2023-2024 growth plan.



Jugan Resource envelope showing drill intercepts

### Updated Resource Estimations

- Comprehensive assay results from +60,000m of drilling.
- Currently refining geological models incorporating 2021-2022 DDH results, including structural controls, for Au, As & S compositional variations within the main body of mineralisation.
- Deliverables to include updated JORC 2012 compliant Au Resource estimates hosted within potential future open-pit envelopes.





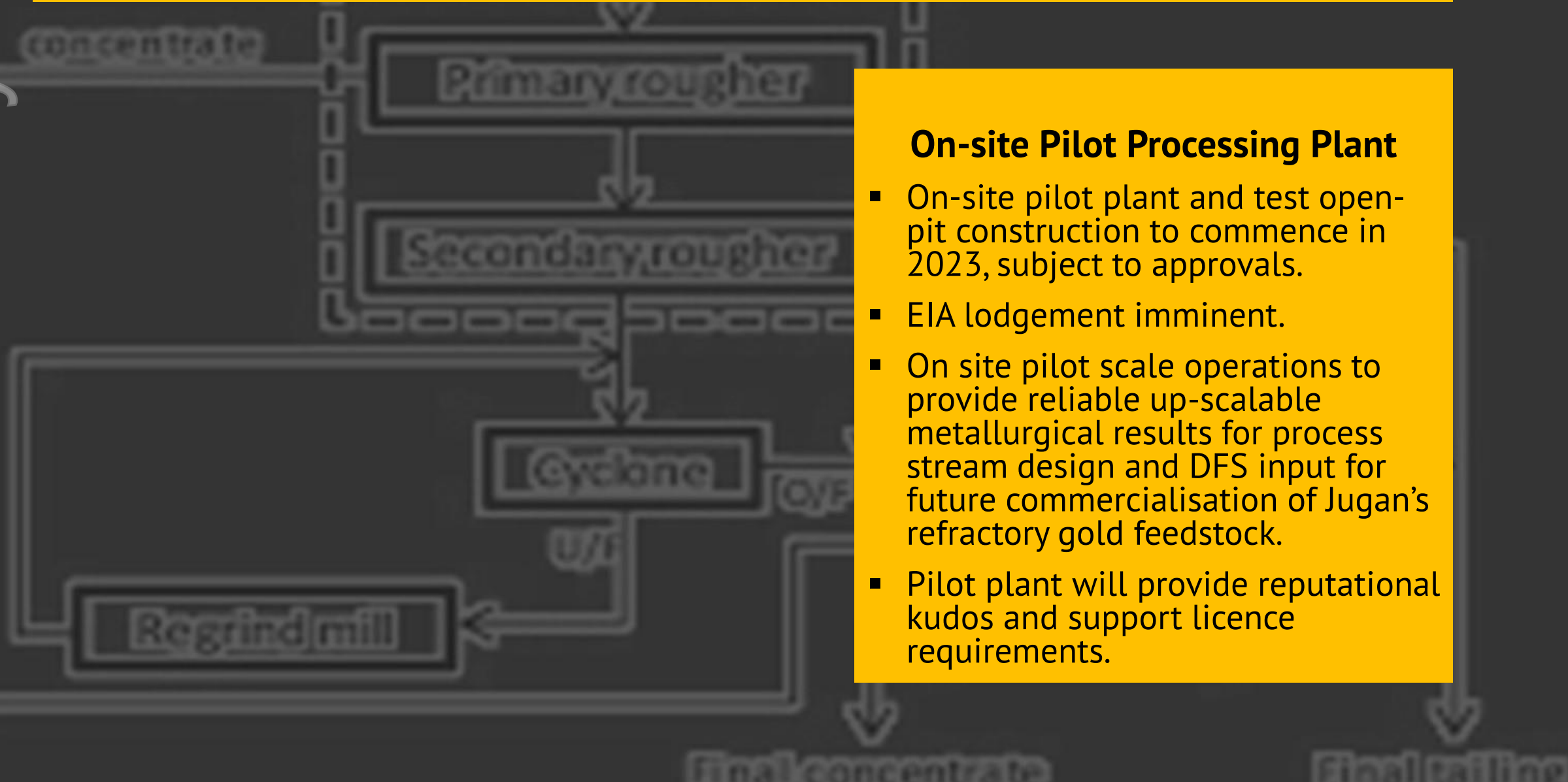
## JUGAN PROJECT

Besra's foundation project for our 2023-2024 growth plan.

### On-site Pilot Processing Plant

- On-site pilot plant and test open-pit construction to commence in 2023, subject to approvals.
- EIA lodgement imminent.
- On site pilot scale operations to provide reliable up-scalable metallurgical results for process stream design and DFS input for future commercialisation of Jugan's refractory gold feedstock.
- Pilot plant will provide reputational kudos and support licence requirements.

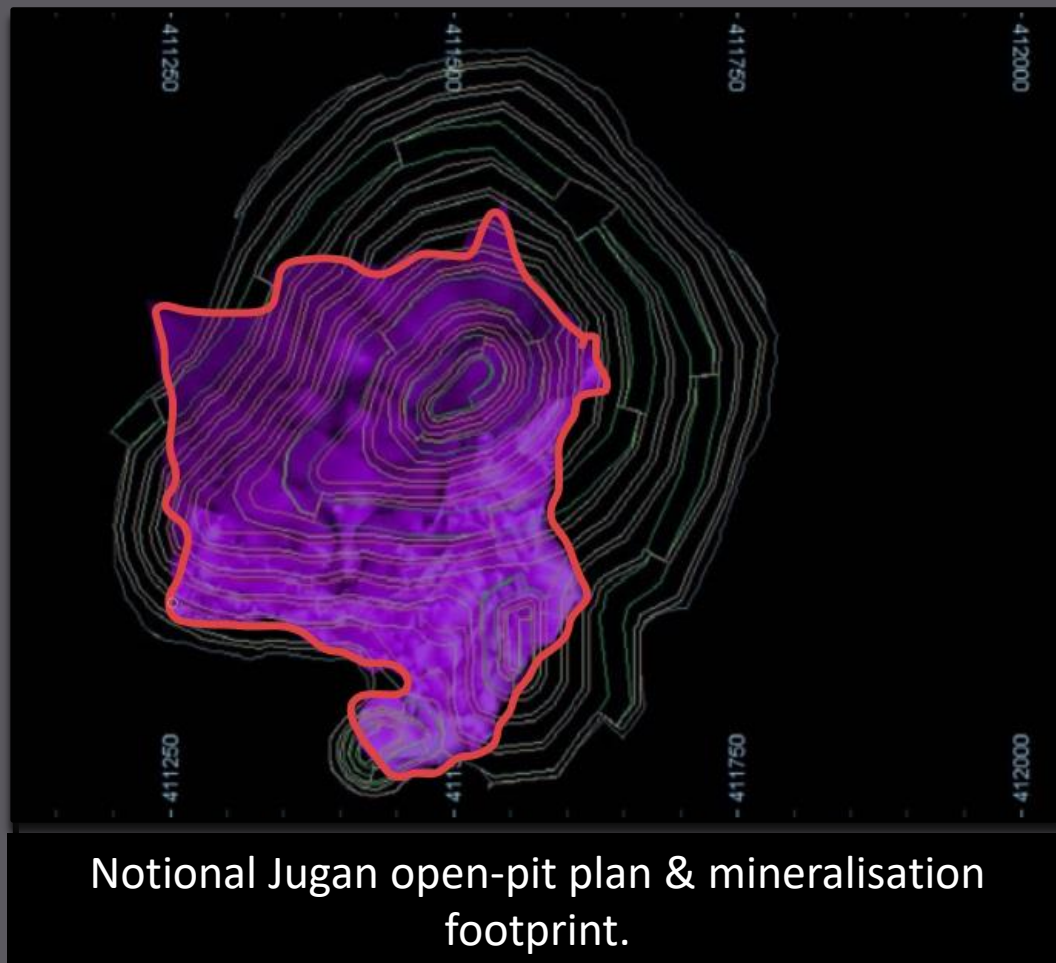
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## JUGAN PROJECT

Besra's foundation project for our 2023-2024 growth plan.



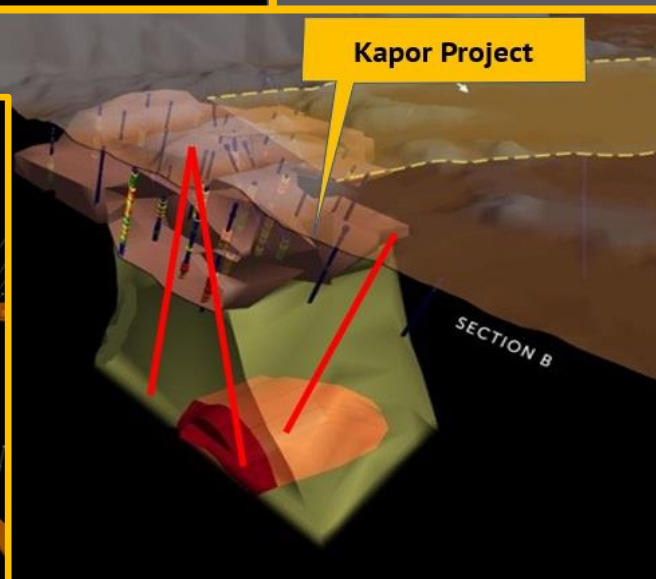
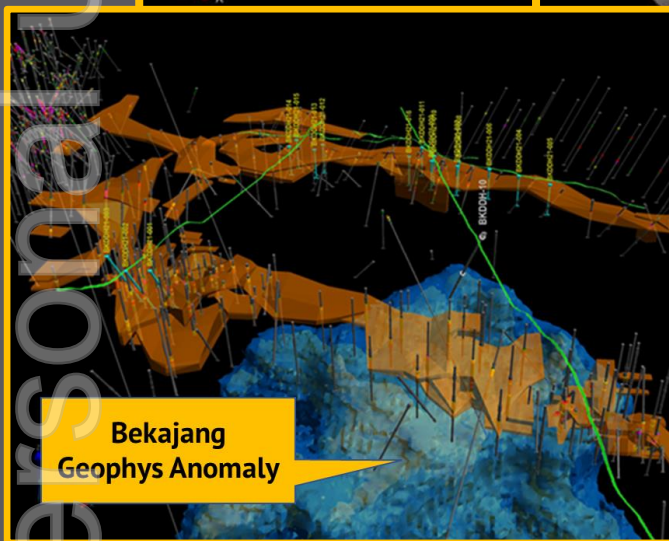
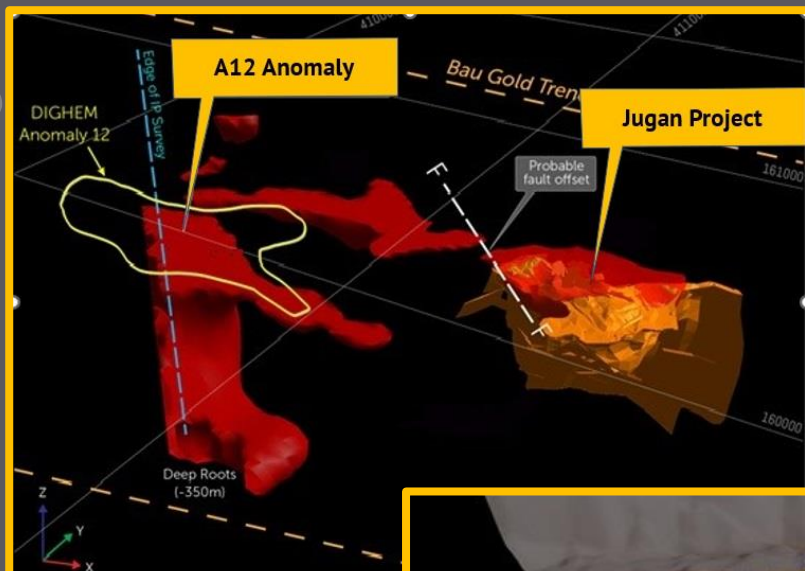
### Definitive Feasibility Studies

- Leveraging previous pre-feasibility study completed in 2013.
- Incorporating updated Resources estimations.
- Incorporating On-site Pilot Processing Plant metallurgical studies.
- Based on an open-pit, stand-alone project, initially delivering export quality gold concentrate to third-party smelters.



# RESOURCE DRILLING

Unlocking higher grade gold potential.



## 2023 RESOURCE DRILLING PROGRAM

- Focusing on depth extensions below existing shallow mineralised footprints at Bekajang, Kapor & Sirenggok prospects.
- Underlying hydrothermal “feeder” systems in Carlin-like deposits typically associated with higher gold grades.
- ~80% of Bau Gold Field Resources defined by shallow (~90m depth) drilling.
- A12 target represents a potential offset of the main Jugan mineralisation.





# ENVIRONMENT, SOCIAL & GOVERNANCE

## Besra's commitment to a social licence & co-existence

- Majority of professional and skilled work force sourced from Bau District.
- Drilling, earthworks and logistical services all sourced from Bau District suppliers.
- Re-establish mining activities with significant local stakeholder participation to maximise community benefits based on co-existence with other community activities.
- Directly supporting local community activities, and infrastructure including schools and community infrastructure.
- Strengthening in-country direct participation through Joint Venture and new shareholder relationships.

crs  
only





## APPENDIX 1 – KEY RISKS



# KEY RISKS

## General Overview

There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. The key risks which are set out in this Appendix, are not to be taken as exhaustive. The specific risks considered herein and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of the Company's Securities. The Directors and management of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors and management to do so may be affected by matters outside their control and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

The list of key risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, may in the future materially affect the financial performance of the Company and the value of CDIs.

## Underwriting Risk

The Company has entered into an Underwriting Agreement with Quantum which has agreed to underwrite the Entitlement Offer, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, then Quantum may terminate the Underwriting Agreement, as set out in Section 7.8 of the Offer Booklet.

If any the Underwriting Agreement is terminated (or the Entitlement Offer does not proceed for any reason) there is a possibility or does that the Company may not raise the funds required for the Company to meet its stated objectives, in which case the Company would be required to find alternative financing. In those circumstances, there is no guarantee that alternative funding could be sourced in the time required, on terms acceptable to the Company or at all, in which case the Company may be unable to continue as a going concern.

As such, termination of the Underwriting Agreement could materially adversely affect the Company's business, cash flow and financial position if the Underwriting Agreement is terminated (or the Entitlement Offer does not proceed for any reason), the Company may need to renegotiate the terms of its debt arrangements. There is no guarantee the Company would be able to successfully renegotiate the terms of those arrangements in those circumstances.

## Share market risk

The market price of the Shares may rise or fall and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. The last trading price of CDIs on ASX prior to the date of this Presentation is not a reliable indicator as to the potential trading price of CDIs following completion of the Entitlement Offer.

## Dilution and control risk

Upon completion of the Entitlement Offer, the number of Common Shares in the Company will increase from 305,241,640 to approximately 406,988,853. This equates to approximately 25% of all the issued Common Shares in the Company immediately following completion of the Entitlement Offer. This means that to the extent Eligible Securityholders do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 25% (assuming the Underwriting Agreement remains on foot).

Given Quantum, which has agreed to underwrite the Entitlement Offer, is a substantial Securityholder of the Company, the Entitlement Offer may have an effect on the control of the Company. The potential effect on control is described further in section 7.3 of the Offer Booklet.





# KEY RISKS (Cont'd)

## Reliance on Joint Venture partner

The Company does not hold legal title to the permits which form the Bau Gold Project. These permits are held by Gladioli (the Sarawak-based joint venture operator of the Bau Gold Project) or certain companies related to Gladioli.

In 2006, Besra and its part-owned subsidiaries, BML and NBG, entered into an exploration and shareholders' agreement with the Gladioli entities, which was later amended and restated in 2010 (Amended and Restated ESA).

Pursuant to the Amended and Restated ESA, the Gladioli entities provided NBG the right to explore, develop and mine the permits. Further, the Gladioli entities covenant that they shall procure that all beneficial interest in the permits remains vested with NBG at all times, and they shall not do anything with or in relation to the permits without the prior written consent of NBG.

As a result of these arrangements, the Company therefore has an indirect beneficial interest in the permits through its part-owned subsidiary, NBG. As at the date of this Presentation, the Company has a 92.8% interest in NBG (on an equity-adjusted basis) through its other subsidiaries, BML (part-owned, with the Company having a 91% interest) and BLL (wholly-owned by the Company). The remainder of the shares in NBG are currently held by Gladioli.

The Company is therefore reliant upon its relationship with its joint venture partner, Gladioli, with respect to both the enforcement of Besra's indirect interest in the permits through the Amended and Restated ESA and the control of NBG. There is therefore a risk that, if the relationship between the Company and Gladioli breaks down, the Company will be unable to achieve its business objectives, and will be left with only its contractual rights against Gladioli as outlined above.

The Company has a long-standing working relationship with Gladioli, and has entered into a consultancy agreement with Gladioli, through Gladioli's affiliated company, Bukit Young Goldmine Sdn Bhd, pursuant to which it will provide in-country services to Besra for a period of two years following the Company's listing in October 2021, including liaising with community, local and state stakeholders.

Additionally, the ability of the Company to acquire legal title to the permits through NBG is dependent on the ability of the relevant Gladioli entities to transfer the permits to NBG. This transfer process includes the requirement to obtain consent from the relevant regulator or government. Therefore, operations or prospects of the Bau Gold Project could be materially adversely affected, and the Company may incur significant costs in resolving issues to ensure it can transfer the permits to its name or continue with its planned exploration and drilling activities. It is noted that there has been no correspondence with the relevant authorities in this regard and the situation remains as outlined in the Company's IPO Prospectus (including the Solicitor's Report attached to that IPO Prospectus).

## Retaining Title to Permits

For the permits to be held and renewed, the relevant permit holder must comply with the relevant legislation, conditions imposed on the permits and environmental standard to the satisfaction of the relevant authorities. The Company could lose its interest in, or beneficial title to, the permits if these conditions are not met, or if the permits expire and are not renewed.

The Company currently has interests in various permits, including those involving applications for renewal. The circumstances surrounding the status of these interests remains as outlined in the IPO Prospectus (including the Solicitor's Report attached to that IPO Prospectus). All permits, including those in which Besra intends to conduct its business strategy, will be subject to renewal at some stage in their term or will otherwise expire in due course and it is the Besra's intention to apply for renewals of these in the normal course.

As at the date of this Presentation, the Company has no reason to believe its current renewal applications, or future renewal applications, will not be granted.

However, there is no guarantee that the current or successor governments will not make material changes to the mineral legislation or that permit approvals or renewals will be given as a matter of course or on similar economic terms, nor is there any guarantee that the Government of Sarawak will approve the granting and/or renewal of any permits as a matter of course. Therefore, there is a risk that the Company may lose its interest in, or its beneficial title to, these permits if the term of each such permit is not renewed.



## KEY RISKS (Cont'd)

Additionally, there is a possibility that the relevant holders for 11 permits have not complied with requirements to commence development works, which may render those permits liable to forfeiture in the future (however, neither the Company nor the relevant permit holder has received any notification of forfeiture with respect to these permits nor have the relevant authorities in the past adhered to a policy of strict compliance). If the permits are forfeited, they will revert with the Government and the Company will lose its interest in, and beneficial title to, those permits. It is noted that this situation has not altered and the circumstances remain as stated in the IPO Prospectus.

The joint venture has been advised by the regulator of its intention to revoke four mining leases within the Bau Gold Project, which encroach upon the boundaries of the Dered Krian National Park (DKNP). The joint venture submitted a proposal in August 2018 seeking to voluntarily surrender those portions of the mining leases which encroach upon DKNP in return for retaining the remaining portions of the mining leases or reapplying for new mining leases over those remaining portions.

If discussions are unsuccessful, the Company may not have an interest in, or beneficial title to, the necessary permits to fully exploit the intellectual and geological knowledge of previous exploration results. Should the land within the DKNP be surrendered, the Bau Gold Project's global Resource would only be reduced from 3.3Moz to approximately 3.02Moz of Mineral Resources. Alternatively, if the four mining leases are revoked in their entirety, the Project's global Resource will be reduced to approximately 2.6Moz. The Company believes this to be the more unlikely outcome because it would reapply for appropriate tenure over those lands within the four mining leases not lying within the DKNP. As at the date of this Presentation, the Company has no reason to believe that any forfeiture has been registered in relation to those mining leases. Nevertheless, should forfeiture be effected it will not impact upon the Company's business strategy.

### Grant of future tenure

Gladioli and its related entities currently have pending applications for permits within the Bau Gold Project with respect to which NBG will hold beneficial title pursuant to the Amended and Restated ESA. It is not guaranteed that these applications, or any other future applications, will be granted

on satisfactory terms, or at all. If future required tenure is not secured, the Company may not have beneficial title to, or an interest in, the necessary permits to fully exploit the intellectual and geological knowledge of previous exploration results from within the areas they encompass.

### Grant of Environmental Impact Assessment

In order to undertake mining activities within ML 1/2013/1D, including the construction and operation of a test processing plant there is a requirement that an Environmental Impact Assessment (EIA) be completed and approved by the Sarawak National Resources and Environment Board (NREB). This EIA is being prepared by independent consultants and will be lodged in response to the terms of reference previously approved by the NREB.

Should the NREB not approve the EIA, it would delay the timing schedule for the pilot plant and potentially also delay the completion timing of the proposed Feasibility Study, until either an amended proposal or alternate arrangements to undertake the processing test work off-site could be arranged.

### Access issues

Whilst the relevant permit holders have been successful in obtaining agreements with some of the owners and occupiers of land on which the permits are located, there is no guarantee they will obtain the necessary consents in respect of future permits granted on terms acceptable to the Company or at all. Therefore, while not anticipated at this stage, there is a risk of access and compensation agreements becoming an issue in the future, particularly as the Company and/or the joint venture expands operations.

Additionally, there may also be some permits which are subject to environmental restrictions with respect to access. There is a protected species of tree and a protected species of reptile near the Bau Gold Project site although generally the surrounding foliage is second or third generation re-growth and not pristine rainforest with respect to which further reclamation might be a risk.

### Key personnel

The future success of the Company depends, to a significant extent, upon the continued services of the management team of the Company. The loss of services from any of the key personnel may have a material adverse effect on the Company's business and operations. There can be no assurance that the Company will be able to retain or hire all appropriate personnel necessary for the development and operation of its business.



# KEY RISKS (Cont'd)

## Uncertainty of future profitability

The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. Given the Company's stated business strategy and focus on exploration activities, it also expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability include its ability to delineate further JORC Code compliant Mineral Resources, the success of metallurgical and processing studies, the success of feasibility studies, the prevailing market price of gold, the actions of competitors and regulatory approvals. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such profitability (or loss) cannot be predicted and may vary significantly from period to period.

## Gold price volatility

Commodity prices, including those for gold, fluctuate and are affected by many factors beyond the control of the Company, including international supply and demand, the level of consumer product demand, technological advancements, forward selling activities, global political uncertainties, the outbreak of warfare, global catastrophes including pandemics, actions taken by governments and global economic and political developments. Gold prices have fluctuated in recent years and may continue to fluctuate significantly in the future. Fluctuations in gold prices, and, in particular, a material decline in the gold price, may have a material adverse effect on the Company's business, financial condition and results of operations.

## Geopolitical

The Company's principal assets are located in Malaysia. As such, the Company is subject to political, economic and other uncertainties, including, but not limited to, changes in policies and regulations or the personnel administering them, changes with regard to foreign ownership of property rights, exchange controls and royalty and tax increases, and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are to be conducted, as well as risks of loss due to civil strife, acts of war and insurrections. If a dispute arises regarding the Company's property interests, the Company cannot rely on Australian legal standards in defending or advancing its interests.

## Equipment

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the

market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all this would have a material adverse effect on the operating and financial performance of the Company.

## Counterparty risks

The current and planned operations of the Company require involvement of a number of third parties including distributors, customers and suppliers. In particular, Besra does not have any material plant on site at the Bau Gold Project, so further exploration may be undertaken under contract mining with all plant and equipment to be provided by contractors under contractual arrangements which mandate compliance with limited Malaysian mining legislation.

The ability of the Company to achieve its stated objectives will depend on the continued creditworthiness of and contractual performance by such counterparties. If deterioration of the creditworthiness of these counterparties occurs, or if they otherwise fail to adhere to or terminate arrangements, the Company's business may be adversely affected (including, for example, a delay to or termination of services or costly legal disputes).

## Litigation

Legal claims or proceedings may arise from time to time in the course of the business of the Company. Defence and settlement costs of legal claims can be substantial, even where claims have no merit. Additionally, there is a risk that the Company may be subject to legal and/or regulatory action in any of the jurisdictions in which the Company operates, including fines or other adverse consequences as a result of administrative errors during historical periods where the Company was under-resourced and underfunded.

So far as the Directors are aware, as at the date of this Presentation, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company.

## Insurance

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.





# KEY RISKS (Cont'd)

## Mining industry risks

### Inherent industry risks

The Company is engaged in the acquisition and exploration of and investment in resource properties, which is an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically mineable deposits. The focus of the Company is on areas in which the geological setting is well understood by management.

### Safety and industrial accidents

The exploration for and extraction of gold involves the operation of heavy machinery. This carries with it an increased safety related risk. The Company has policies and procedures in place in relation to safe work practices. Despite the relevant safeguards, there is no guarantee that a serious accident will not occur in the future. A serious accident may negatively impact the financial performance and/or financial position of the Company.

### Development and operational

By its very nature, the development of a mining facility contains significant risks with no guarantee of success. The ultimate economic development of a mineral deposit is dependent on many factors, including the ability to access adequate capital for project development, obtaining regulatory consents and approvals necessary for the conduct of development and production, securing access to equipment, materials and infrastructure, securing access to competent operation management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Various regulatory and related approvals are required for the Company to develop the Bau Gold Project. For instance, the proposed development of the pilot plant for the Jugan prospect is conditional on the Company obtaining approval from the relevant regulators, submitting an EIA for approval, having that EIA approved and engaging with the local community and other stakeholders. There is no guarantee that the Company will be able to obtain any such approvals and proceed with development as planned.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

Similarly, all production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability. If the Company develops mining

operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's profitability, the value of the Company's projects and in turn, the value of its shares.

### Resource estimation

Besra's JORC Code compliant Mineral Resource is an estimate only. Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly as new information becomes available.

In addition, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, the estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

The Mineral Resource estimates for the Bau Gold Project includes permits which are subject to renewal. In addition, should the joint venture surrender those portions of the four mining leases within the DKNP which are currently subject to forfeiture (as discussed above), the Bau Gold Project's global Mineral Resource will be reduced from 3.3Moz to approximately 3.02Moz, and if the Company were to forfeit those four mining leases in their entirety, the Project's global Resource will be reduced to 2.6Moz.

### Future capital requirements

The Company's ability to carry out its business, including the advancement of the Bau Gold Project, is dependent upon its ability to raise funds in an orderly fashion and on reasonable terms. Exploration and development involve significant financial risk and capital investment.

The Company believes that the funds raised under the Entitlement Offer will be sufficient to fund its activities. However, notwithstanding this, the Company will require additional capital in order to pursue its ultimate strategy of advancing the Bau Gold Project towards production. Also, it is possible further capital may be required at an earlier stage if, for example, any of the other risks in this 6 materialise, or equally new and superior opportunities materialise.

Future equity financing may dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its activities. There is no guarantee that the Company will be able to secure any additional financing or be able to secure financing on terms favourable to it.



# KEY RISKS (Cont'd)

## Environmental

The Company's operations are subject to environmental regulations. As with most mining related activities, these are expected to have an impact on the environment, particularly if mine development proceeds. Currently the draft EIA for ML 1/2013/1D has been completed, including base-line environmental and community dialogue studies. Previously, environmental base line studies had been undertaken in a number of mining leases but these will need to be updated and/or expanded to address specific development plans in due course.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events beyond the Company's control may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) may not be available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. There is a risk that environmental laws and regulations could become more onerous making the Company's operations more expensive. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits will be required in connection with the Company's operations. To the extent such approvals are required and not obtained or maintained on acceptable conditions, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral assets.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

## Government regulation

In addition to environmental regulation, the activities of the Company are subject to various laws and regulations including in those governing exploration and mining, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous heritage and native title and other matters. Any material adverse changes in government policies or legislation that affect the Company's activities may affect the viability and profitability of the Company's current and future projects.

Furthermore, no assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of its projects. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation of them could have a substantial adverse impact on the current and any future project and therefore the Company.

Government regulations may impose costs on Besra's mining operations, and future regulations could increase those costs or limit Besra's ability to explore for and ultimately produce gold. The mining industry is subject to increasingly strict regulation with respect to matters such as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, discharge of materials into the environment, surface subsidence from above and underground mining sites and the effects of mining on groundwater quality and availability. The possibility exists that new legislation and/or regulations and orders may be adopted that may materially adversely affect Besra's mining operations, cost structure and/or the ability of Besra to undertake its proposed activities.

New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related to the protection of the environment that would further regulate and tax the industry, may also require Besra or its customers to change operations significantly or incur increased costs.

Other changes in government regulation may impact on Besra's business. These include changes to taxation laws, fiscal, monetary and regulatory policy changes and changes to export regulation in countries which the Company holds assets.



# KEY RISKS (Cont'd)

## Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration programs.

At present, there is an existing tailings dam from historical production at Bau which will need to be managed as part of any recommencement of operations.

## Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, increases in the costs of services, future legal actions or expenses in relation to future unforeseen events. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

## General investment risks

### Economic

General economic conditions and movements in interest, inflation and currency exchange rates (particularly with the Company's operations being based in Malaysia) may have an adverse effect on the Company's mineral development and production activities, its ability to fund those activities and its financial performance more broadly.

Other contributing factors to the general economic climate include tax reform, new legislation, changes in investor sentiment, the demand for and supply of capital and terrorism or other hostilities.

## Infectious disease

Outbreaks of pandemics or diseases, including, for example, the coronavirus disease (COVID-19), may have a material adverse effect on Besra's business. Examples of possible implications include delays to regulatory mining-related approvals, site access restrictions, limited or no access to funding on commercially acceptable terms, termination of third party contracts and loss of revenue. As with many countries, Malaysia's government policies since 1 April 2022 have supported enhanced free movement of both nationals and foreigners and currently there are no restrictions on cross border movements, nor any anticipated material impacts on the Company's activities going forward.

## Climate change

There has been increasing concern by the public and regulators globally on climate change issues. As a mining company, Besra is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes that may impact negatively on the mining industry (such as by increasing the cost of diesel or other consumables with a carbon footprint). Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Besra's operating and financial performance.

## Taxation

The acquisition and disposal of Securities (including the New CDIs) will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under the Offer Booklet.







## **APPENDIX 2 – OFFER RESTRICTIONS**



# INTERNATIONAL OFFER RESTRICTIONS

This presentation or any other document relating to the offer of New CDIs does not constitute an offer of New CDIs in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New CDIs may not be offered, in any country outside Australia except to the extent permitted below.

## **New Zealand**

The New CDIs are not being offered to the public within New Zealand other than to existing Securityholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document relating to the offer of New CDIs Offer has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Presentation and the Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **Canada**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any of the provinces or territories of Canada. The New CDIs may not be offered or sold in any province or territory of Canada except in transactions exempt from, or not subject to, the prospectus requirements of applicable securities legislation of the Canadian Securities Administrators. The New CDIs will only be offered and sold in a province or territory of Canada to existing shareholders of the Company who are Accredited Investors and have signed and returned a Canadian investor certificate that is available from the Company Secretary of the Company.

## **United States of America**

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New CDIs have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New CDIs may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New CDIs will only be offered and sold in the United States to existing shareholders of the Company who are Accredited Investors and have signed and returned a US investor certificate that is available from the Company Secretary of the Company.

## **Belize**

The issuance or transfer of the New CDIs, respectively, by the Company, by the transferor or to a transferee who is resident in Belize is subject to the exchange control laws of Belize. It is unlawful to make or cause such issuance or transfer to be made without the requisite approval from the Central Bank of Belize.

## **United Kingdom**

Neither this Presentation nor any other document relating to the offer of New CDIs has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New CDIs.

The New CDIs may not be offered or sold in the United Kingdom by means of this Presentation or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Presentation is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Presentation may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, relevant persons). The investment to which this Presentation relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Presentation.

## **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New CDIs. The New CDIs may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New CDIs not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.





## **APPENDIX 3 – QUANTUM TERMINATION EVENTS**





# QUANTUM UNDERWRITING TERMINATION EVENTS

This appendix sets out a non-exhaustive list of the termination events pursuant to which Quantum may terminate the underwriting agreement.

- **(Offer documents)** Any adverse new material circumstance arises or becomes known which, if known at the time of the Offer Booklet, this Presentation, the cleansing statement or Appendix 3B in connection with the Entitlement Offer (Offer Documents), would have been included in the Offer Documents; any Offer Document becomes false, misleading or deceptive; or the Offer Documents do not include all material information required to comply with applicable laws.
- **(ASIC action)** ASIC applies for an order under Pt 9.5 of the Corporations Act in relation to the Entitlement Offer or any Offer Document (subject to exceptions); prosecutes or gives notice of intention to prosecute, commences proceedings or gives notice of intention to commence proceedings against the Company or its officers in relation to the Entitlement Offer or any Offer Document; or makes a determination under s708AA(3) of the Corporations Act.
- **(Withdrawal)** The Company withdraws the Entitlement Offer or it fails to proceed.
- **(Non-compliance with disclosure requirements)** The Offer Documents do not contain information reasonable for investors and their professional advisers to expect to find in a disclosure document.
- **(Restriction on allotment)** The Company is prevented from allotting the New CDIs within the timetable.
- **(Authorisation)** Any authorisation which is material to anything material referred to in the Offer Documents is repealed, revoked or terminated or expires; or is modified or amended in a manner unacceptable to Quantum.
- **(Indictable offence)** A director or senior manager of the Company is charged with an indictable offence.
- **(Removal or suspension)** The Company is removed from the ASX official list or CDIs become suspended from official quotation and are not reinstated within 5 business days.
- **(Hostilities)** There is an outbreak of hostilities or a major escalation of hostilities involving one or more of Australia, China, the United States or any member of the EU.
- **(Default)** The Company defaults or breaches the underwriting agreement.
- **(Incorrect or untrue representation or warranty)** Any representation, warranty or undertaking given by the Company in the underwriting agreement is or becomes untrue or incorrect.
- **(Adverse change)** An event occurs which give rise to a material adverse effect on the outcome of the Entitlement Offer, the subsequent market for New CDIs or the Company's assets, condition, trading, financial position, performance, profits, losses, results, prospects, business or operations either individually or taken as a whole.
- **(Public statements)** The Company makes a public statement about the Entitlement Offer or Offer Documents without the prior approval of Quantum.
- **(Change in law)** There is introduced, or there is public announcement of a proposal to introduce, any new or major change in, existing monetary, exchange or fiscal policy in Australia.
- **(Prescribed occurrences)** Other than as disclosed in the Offer Documents, the Company (or any subsidiary) converts any or all of its securities into larger or smaller number; resolves to reduce its share capital; makes an issue of or grants an option to subscribe for any of its securities (other than under the Entitlement Offer or the Company's incentive plan or pursuant to existing obligations); issues or agrees to issue convertible notes; changing or agreeing to change the whole or a substantial part of its business or property; resolves that it be wound up; appoints a liquidator; or any administrator, receiver or manager is appointed.
- **(Suspension of debt payments)** The Company suspends its debt payments.
- **(Judgement)** A judgement in an amount exceeding \$50,000 is obtained against the Company or a subsidiary and it not set aside or satisfied within 7 days.
- **(Litigation)** Litigation, arbitration or industrial proceedings are commenced or threatened.
- **(Board and senior management)** There is a change in composition of the Company's Board or senior management from the date of the agreement without prior written consent of Quantum.
- **(Timetable)** There is a timetable delay of more than 5 business days.
- **(Force majeure)** There is a force majeure event affecting the Company in excess of 7 days.
- **(Breach of material contracts)** Any material contract is terminated or substantially modified.
- **(Market conditions)** Suspension or material limitation in trading on ASX occurs or disruption occurs in existing financial markets, political or economic conditions of any one or more of Australia, China, the United States or the EU.

