

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

IN THE MATTER OF THE PROPOSAL OF
BESRA GOLD INC.,
A COMPANY INCORPORATED PURSUANT TO THE LAWS OF CANADA,
WITH A REGISTERED OFFICE IN THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

PROPOSAL

Besra Gold Inc. hereby submits the following Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE 1
INTEPRETATION

1.1 Definitions

In this Proposal:

- (a) “**Administrative Fees and Expenses**” means the fees, expenses and legal fees and disbursements of the Trustee and the Company on and incidental to the NOI and the negotiation, preparation, presentation, consideration, Court approval of, and implementation of the Proposal, the DIP Facility and all proceedings and matters relating to or arising out of the Proposal including, without limitation any meeting or meetings of creditors to consider the Proposal;
- (b) “**Affected Claims**” means Claims which are not Unaffected Claims, and “**Affected Claim**” means each of them;
- (c) “**Affected Creditors**” means all Creditors having Affected Claims, and “**Affected Creditor**” means each of them;
- (d) “**Approval Order**” means an Order or Orders of the Court, among other things, approving the Proposal, the actions of the Trustee and the fees and disbursements of the Trustee and its counsel;

- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Date of Filing;
- (f) “**Business Day**” means each day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Toronto, Ontario, Canada;
- (g) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (h) “**Claim**” means any right of any Person against the Company in connection with any indebtedness, liability or obligation of any kind of the Company which indebtedness, liability or obligation is in existence on, or which is based in whole or in part on any act, omission or fact that occurred or existed prior to the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, present, future, direct or indirect, known or unknown, by guarantee, by surety or otherwise, at law or in equity, and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, and “**Claims**” means all of them;
- (i) “**Common Shares**” means common shares of the Company;
- (j) “**Company**” means Besra Gold Inc.;
- (k) “**Court**” means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency)[Commercial List] or other court of competent jurisdiction;
- (l) “**Creditor**” means any Person having a Claim, and “**Creditors**” means all of them;
- (m) “**Creditors’ Meeting**” means any meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;
- (n) “**Creditors’ Meeting Date**” means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the date on which this Proposal is filed with the Official Receiver;
- (o) “**Date of Filing**” means October 19, 2015, the date on which the NOI was filed with the Official Receiver;
- (p) “**DIP Facility**” means the credit facility established by the DIP Lenders in favour of the Company, and approved by the Court, pursuant to section 50.6 of the BIA, as may be amended from time to time;
- (q) “**DIP Lenders**” means Molard FMS Limited, Pierre de Loës and Stavely Investments Limited;

- (r) “**Directors**” means the present and former directors of the Company, as at the Date of Filing;
- (s) “**Directors’ Indemnity Claims**” means all claims by Directors against the Company for indemnity in respect of obligations of the Company for which the Directors are by law liable in their capacity as Directors for the payment of such obligations;
- (t) “**Election Form**” means the Election Form attached hereto as **Schedule “A”**, which the Trustee shall mail to each known Creditor prior to the Creditors’ Meeting;
- (u) “**Employment Insurance Act**” means the *Employment Insurance Act*, S.C. 1996, c. 23, as amended;
- (v) “**Equity Limit**” has the meaning ascribed thereto in Article 4.4 hereof;
- (w) “**Equity Pool Restriction**” has the meaning ascribed thereto in Article 4.4 hereof;
- (x) “**Exit Financing**” means the issuance and sale, distribution and/or placement of Common Shares, notes, bonds or debentures, to be completed by the Company within six (6) months of the issuance of the Approval Order and to generate gross proceeds of not less than CAD\$10,000,000 (or the equivalent thereof in such other currency as may be applicable);
- (y) “**Implementation Date**” means the date upon which the conditions set forth in Article 8.3 hereof have been satisfied;
- (z) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (aa) “**Inspectors**” means one or more Inspectors appointed pursuant to the BIA (if any) as provided for in the Proposal;
- (bb) “**New Note**” means a promissory note to be issued to an Affected Creditor electing to receive the same pursuant to Article 4.4(a) of this Proposal, substantially in the form attached hereto as **Schedule “B”**;
- (cc) “**New Warrant**” means a warrant for Common Shares to be issued to an Affected Creditor electing to receive the same pursuant to Article 4.4(b) of this Proposal, substantially in the form attached hereto as **Schedule “C”**;
- (dd) “**NOI**” means the Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the BIA, filed by the Company with the Official Receiver on October 19, 2015;
- (ee) “**Official Receiver**” has the meaning ascribed thereto in the BIA;

- (ff) **“Ordinary Creditors”** means Creditors with Proven Claims, except those who are:
 - (i) Preferred Creditors; or
 - (ii) Unaffected Creditors.
- (gg) **“Original Unsecured Notes”** means any and all unsecured notes issued by the Company prior to the Date of Filing, including, without limitation:
 - (i) the 9% unsecured subordinated convertible redeemable CAD notes due March 26, 2014;
 - (ii) the 8% unsecured redeemable CAD notes due April 29, 2015;
 - (iii) the 8% unsecured redeemable USD notes due May 6, 2015;
 - (iv) the 8% unsecured redeemable “gold-linked” CAD notes due May 6, 2015; and
 - (v) the 8% unsecured redeemable “gold-linked” USD notes due May 6, 2015;
- (hh) **“OSC”** has the meaning ascribed thereto in Article 8.4 hereof;
- (ii) **“Person”** means any individual, general or limited partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency, regulatory body or instrumentality thereof, or any other entity howsoever designated or constituted;
- (jj) **“Preferred Creditors”** means Creditors with Proven Claims and which are, subject to the rights of Secured Creditors, required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation, the Required Employee Amount (for greater certainty a Person can be both a Preferred Creditor and an Unsecured Creditor in respect of distinct Claims), and **“Preferred Creditor”** means each of them;
- (kk) **“Proof of Claim”** means the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (ll) **“Proposal”** means this proposal together with any amendments or additions thereto;
- (mm) **“Proven Claim”** means the amount of a Creditor’s Affected Claim finally determined in accordance with BIA, and **“Proven Claims”** means all of them;
- (nn) **“Required Employee Amount”** means an amount equal to the amount employees and former employees of the Company, not to include independent commissioned sales agents or contractors, would be qualified to receive under paragraph 136(1)(d) of the BIA if the Company became bankrupt on the Date of Filing, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together

with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Company's business during the same period;

- (oo) “**Required Crown Amount**” means all amounts outstanding at the time of the filing of the notice of intention to Her Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under,
 - (i) subsection 224(1.2) of the Income Tax Act;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;
- (pp) “**Secured Creditor**” means any Creditor holding a valid and enforceable security interest in the assets and property of the Company, to the extent of the value of the security, and “**Secured Creditors**” means all of them;
- (qq) “**Trustee**” means MNP Ltd., or its duly appointed successor or successors;
- (rr) “**Unaffected Claims**” means (i) claims of Secured Creditors, to the extent of the value of the subject security; (ii) claims of the DIP Lenders, to the extent any such claim is based on borrowings under the DIP Facility; (iii) Directors' Indemnity Claims; and, (iv) the Administrative Fees and Expenses;
- (ss) “**Unaffected Creditors**” means those Creditors having Unaffected Claims, to the extent such Claims are unaffected (for greater certainty a Person can be both a Preferred Creditor and an Unsecured Creditor in respect of distinct Claims);
- (tt) “**Unsecured Creditors**” means, collectively, the Preferred Creditors and the Ordinary Creditors; and

- (uu) **“Voting Letter”** shall mean the voting letter required by subsection 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting.

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

1.10 Schedules

The following are the Schedules to this Proposal:

Schedule “A” – Election Form

Schedule “B” – Form of New Note

Schedule “C” – Form of New Warrant

The terms and conditions of the Schedules form an integral part of this Proposal and should be read in conjunction with this Proposal.

ARTICLE 2 GENERAL INTENT OF PROPOSAL

2.1 Purpose of Proposal

The purpose of this Proposal is to allow the Company to effect the restructuring of its unsecured indebtedness in the manner contemplated herein, and as permitted by the BIA, in the expectation that all Affected Creditors will derive greater benefit from the restructuring than they would otherwise receive from a bankruptcy of the Company; and, to provide for:

- (a) the cancellation of all Original Unsecured Notes; and
- (b) the full and final satisfaction of each Affected Claim in exchange for some combination of:
 - (i) a cash payment;
 - (ii) the issuance of a New Note;
 - (iii) the issuance of Common Shares; and
 - (iv) the issuance of New Warrants;

as may be elected by each Affected Creditor by filing a completed Election Form with the Trustee, or by default in the event an Affected Creditor fails to complete and file an Election Form, pursuant to Article 4.4 of this Proposal.

This Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Company under this Proposal. This Proposal does not affect Unaffected Claims.

2.2 Persons Affected

The Proposal will, as of the Implementation Date, be binding on the Company and all Affected Creditors.

2.3 Post-Filing Goods & Services

All goods and services rendered to the Company subsequent to the Date of Filing shall be paid in full in the ordinary course of business by the Company on terms agreed to between the Company and the relevant Persons.

2.4 Assets to Remain Vested in Company

The assets of the Company shall not vest in the Trustee, but shall remain vested in the Company, and the Trustee shall have no liability whatsoever for the claims of any Creditors arising before, on or after the Date of Filing.

ARTICLE 3 CLASSIFICATION OF CREDITORS

3.1 Classes of Creditors

For the purposes of voting on the Proposal, the Affected Creditors of the Company shall be comprised of a single class of Unsecured Creditors.

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Unaffected Creditors (including Secured Creditors)

This Proposal is not being made to the Unaffected Creditors (which, for greater certainty, includes Secured Creditors) and does not impact Unaffected Claims. Unaffected Claims shall be dealt with in accordance with the agreements between the relevant Unaffected Creditor and the Company or as otherwise agreed between the relevant Unaffected Creditor and the Company.

4.2 DIP Facility

For greater certainty, the claims of the DIP Lenders, to the extent any such claim is based on obligations under the DIP Facility, are Unaffected Claims and are not impacted by this Proposal, but shall be dealt with in accordance with the agreement between the DIP Lenders and the Company or as otherwise agreed between the DIP Lenders and the Company.

4.3 Administrative Fees and Expenses

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid by the Company in full in accordance with the BIA.

4.4 **Compromise and Satisfaction of Proven Claims**

All Affected Creditors shall be entitled to elect between the following options by completing an Election Form attached hereto as **Schedule “A”** and filing the same with the Trustee. In the event an Affected Creditor fails to file an Election Form prior to the Implementation Date, such Affected Creditor shall be deemed to have elected Option 4, as set out below.

(a) ***OPTION 1 – New Note***

Within sixty (60) days of the Implementation Date, each Affected Creditor electing “**Option 1**” shall receive, in full and final satisfaction of such Affected Creditor’s Proven Claim,

- (i) a cash payment equal to 3.25% of the value of such Proven Claim; and
- (ii) a New Note, substantially on the terms set out in the form of New Note attached hereto as **Schedule “B”**, in the principal amount equal to the amount of such Proven Claim less the cash distribution under this Option 1.

(b) ***OPTION 2 – Equity***

Within sixty (60) days of the Implementation Date, each Affected Creditor electing “**Option 2**” shall receive, in full and final satisfaction of such Affected Creditor’s Proven Claim:

- (i) the conversion of seventy percent (70%) of the amount of such Proven Claim to Common Shares of the Company, to be issued concurrently with the Exit Financing, at a conversion rate per share equal to the share price (or conversion price per share, as applicable) under the Exit Financing, subject to the Equity Pool Restriction set out below; and
- (ii) the conversion of thirty percent (30%) of the amount of such Proven Claim to New Warrants, at a conversion price of CAD\$0.035 per warrant, substantially on the terms set out in the form of New Warrant attached hereto as **Schedule “C”**.

Equity Pool Restriction: The total number of Common Shares issued to all Affected Creditors in respect this Option 2 and Option 3 below shall not comprise more than thirty percent (30%) of the Common Shares of the Company following the Exit Financing, on a fully diluted basis as to Common Shares (the “**Equity Limit**”). If the value of the Proven Claims of Affected Creditors electing to receive Common Shares under this Option 2 and Option 3 below exceeds the aforementioned Equity Limit, then the amount by which such Proven Claims exceeds the Equity Limit will be automatically converted to Option 1 above on a *pro rata* basis. For the purposes of the Equity Limit, the determination of “fully

diluted” shall not take into account the convertible notes or warrants issued pursuant to this Proposal or any warrants issued pursuant to the Exit Financing.

(c) ***OPTION 3 – 50/50 Split***

Within sixty (60) days of the Implementation Date, each Affected Creditor electing “**Option 3**” shall receive, in full satisfaction of such Affected Creditor’s Proven Claim:

- (i) the treatment afforded to Proven Claims filed under Option 1 above in respect of fifty percent (50%) of the amount of such Proven Claim; and
- (ii) the treatment afforded to Proven Claims filed under Option 2 above in respect of the remaining fifty percent (50%) of the amount of such Proven Claim.

(d) ***OPTION 4 – Convenience Cash Payment***

Within sixty (60) days of the Implementation Date, each Affected Creditor electing “**Option 4**” shall receive, in full and final satisfaction of such Affected Creditor’s Proven Claim, the lesser of:

- (i) CAD\$3,000; and
- (ii) such Proven Claim.

The implementation of each of the foregoing options shall be subject to the levy payable to the Office of the Superintendent in Bankruptcy in respect thereof, as applicable, in accordance with the BIA.

4.5 Interest on Claims

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the Date of Filing and no Creditor with an Affected Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the Date of Filing.

4.6 Required Crown Amount

The Required Crown Amount shall be paid from additional funds to be delivered by the Company to the Trustee on or before the Implementation Date and shall be remitted by the Trustee to Her Majesty in Right of Canada within six (6) months of the issuance of the Approval Order.

4.7 Required Employee Amount

The Required Employee Amount shall be paid from additional funds to be delivered by the Company to the Trustee on or before the Implementation Date and shall be

remitted by the Trustee to the relevant employees within six (6) months of the issuance of the Approval Order.

4.8 Obligations of the Company

- (a) The Company shall:
 - (i) on or before the Implementation Date, deliver sufficient funds to the Trustee to pay the unpaid Administrative Fees and Expenses incurred to the Implementation Date;
 - (ii) on or before the Implementation Date, deliver to the Trustee sufficient funds to pay the Required Crown Amount and the Required Employee Amount;
 - (iii) on or before the Implementation Date, deliver to the Trustee sufficient funds to pay the levy payable to the Office of the Superintendent of Bankruptcy in accordance with Article 4.9 hereof and the BIA;
 - (iv) concurrently with the completion of the Exit Financing, issue such Common Shares to the Affected Creditors as contemplated by this Proposal and, within forty-five (45) days of the Implementation Date, deliver such Common Shares to the Trustee for distribution to such Affected Creditors as contemplated by this Proposal;
 - (v) within forty-five (45) days of the Implementation Date, issue such New Warrants to such Affected Creditors as contemplated by this Proposal and deliver such New Warrants to the Trustee for distribution to such Affected Creditors as contemplated by this Proposal;
 - (vi) within forty-five (45) days of the Implementation Date, issue New Notes to such Affected Creditors as contemplated by this Proposal and deliver such New Notes to the Trustee for distribution to such Affected Creditors as contemplated by this Proposal; and
 - (vii) within forty-five (45) days of the Implementation Date, deliver sufficient funds to the Trustee to pay cash distribution in respect to Proven Claims of such Affected Creditors as contemplated by this Proposal.
- (b) The Company shall pay to the Trustee all Administrative Fees and Expenses up to and including the date of the Trustee's discharge in accordance with to Article 7.1 of the Proposal.

4.9 Superintendent of Bankruptcy Levy

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy by the Trustee in respect of the distributions to Unsecured Creditors under the Proposal, as required by subsection 60(4) and section 147 of the BIA.

**ARTICLE 5
PROCEDURE FOR VALIDATION OF CLAIMS**

5.1 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The Trustee shall have the power and authority to determine the validity of all claims made against the Company, including the validity of any security held by persons claiming to be Secured Creditors of the Company.

5.2 Claims Bar Process

Forthwith after the Approval Order, the Trustee shall give notice pursuant to section 149 of the BIA, by registered mail, to every Person with an Affected Claim that the Trustee has notice or knowledge of, but whose claim has not been filed or proved that if such Person does not prove his claim within a period of thirty (30) days after the mailing of the notice, the Trustee will proceed to declare a final dividend without regard to such Person's claim; the dividend referred to in said notice shall be deemed a final dividend and any Person so notified who does not provide his claim within the said thirty (30) day period shall be barred from making a claim in this Proposal or sharing in any dividend hereunder, subject to any exceptions set out in subsections 149(2)(3) and (4) of the BIA.

**ARTICLE 6
MEETING OF CREDITORS**

6.1 Creditors' Meeting

On the Creditors' Meeting Date, the Company shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

6.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by Trustee, and confirmed in its notice of meeting to be mailed pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

6.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, including the Unsecured Creditors, Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Company, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair

of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

6.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section 52 of the BIA.

6.5 Voting by Creditors

All Creditors who, on the Creditors' Meeting Date, hold Proven Claims will be entitled to attend at the Creditors' Meeting and vote to the extent of the amount which is equal to each such Creditor's respective Proven Claim.

6.6 Approval by Creditors

In order that the Proposal be binding on the single class of Creditors set out in Article 3.1 hereof, in accordance with the BIA, it must first be accepted by a majority in number of the Creditors of such class who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Voting Claims of the Creditors of such class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

6.7 Appointment of Inspectors

At the Creditors' Meeting, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the discharge of the Trustee.

6.8 Valuation of Claims

The procedure for valuing Claims of Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in Article 5 hereof and the BIA. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the

amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

ARTICLE 7 COMPLETION OF THE PROPOSAL

7.1 Certificate of Full Performance

Upon distribution of all cash amounts, notes, common shares and warrants contemplated by Articles 4.4, 4.7 and 4.8 of the Proposal and the payment of the Administration Fees and Expenses, this Proposal shall have been fully performed and the Trustee shall issue to the Company the certificate referred to in section 65.3 of the BIA.

7.2 Discharge of Trustee

Upon the issuance of the certificate of full performance contemplated by Article 7.1 hereof, the Trustee shall have discharged its duties as Trustee, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder.

The Trustee is acting in its capacity as Trustee and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful misconduct or gross negligence.

7.3 Completion of Proposal

The payment, compromise, extinguishment or other satisfaction of any Affected Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Proposal.

ARTICLE 8 MISCELLANEOUS

8.1 Modification of Proposal

The Company, with the consent of the Trustee, may propose an alteration or modification to the Proposal prior to the conclusion of the first Creditors' Meeting called to consider the Proposal.

8.2 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Company that has occurred on or prior to the Implementation Date;
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Company as at the Implementation Date (other than those entered into by the Company on, or with effect from, the Implementation Date) and the provisions of the Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) released the Company, the Trustee, the Directors, and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

8.3 Conditions to Proposal Implementation

The implementation of the Proposal by the Company will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Affected Creditors;
- (b) issuance of the Approval Order by the Court; and
- (c) completion of the Exit Financing, as more particularly set out in Article 8.4 hereof.

8.4 Particulars of Exit Financing Condition

For greater certainty, the implementation of this Proposal is conditional on the completion of the Exit Financing, which financing must:

- (a) generate gross proceeds of not less than CAD\$10,000,000 (or the equivalent thereof in such other currency as may be applicable); and

- (b) be completed within six (6) months of the issuance of the Approval Order.

As at the date of this Proposal, the Company is subject to a cease trade order dated December 29, 2014, issued by the Ontario Securities Commission (the “OSC”). The Company has already received a variation of such cease trade order from the OSC in the past (to allow the Company to complete the issuance of a secured promissory note). In order to proceed with the Exit Financing, the Company will need to obtain an appropriate variation (or lifting, termination or withdrawal) of such cease trade order. The Company shall use best efforts to do so, and thereby enable the Company to complete the Exit Financing.

8.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Affected Claims under the Proposal shall be final and binding on the Company and all Affected Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Affected Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Company of or in respect of such Affected Claims.

8.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by fax transmission (except for Proofs of Claim which may only be sent by personal delivery, fax transmission or registered mail) addressed to the respective parties as follows:

- (a) if to the Company:

c/o Loopstra Nixon LLP
135 Queens Plate Drive – Suite 600
Toronto, Ontario
M9W 6V7
Attention: R. Graham Phoenix
Fax: (416) 476-8319

- (b) if to a Creditor, to the address or fax number for such Creditor specified in the Proof of Claim filed by Creditor or, if no Proof of Claim has been filed, to such other address or fax number at which the notifying party may reasonably believe that the Creditor may be contacted; and

- (c) if to the Trustee:

MNP Ltd.
111 Richmond St. West – Suite 300
Toronto, Ontario
M5H 2G4

Attention: Jerry Henechowicz
Fax: (416) 323-5242

or to such other address or fax number as any party may from time to time notify the others in accordance with this Article. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by fax and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by fax or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

8.7 Assignment of Claims

Affected Claims may be assigned in whole but not in part. No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Company and the Trustee in accordance with the requirements of Article 8.6. The assignment of the Claim will not be effective for a period of five (5) Business Days from the date of effective receipt of the notice of assignment by the Company and by Trustee as determined in accordance with Article 8.6.

8.8 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Date of Filing, in accordance with the BIA.

8.9 Applicable Law

The Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

8.10 Non Severability

It is intended that all material provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any material provision or provisions of the Proposal is or are found by the Court to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

8.11 Deeming Provisions

In the Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Auckland, in New Zealand,
this 29th day of January, 2016.

BESRA GOLD INC.

Per: _____

Name: John A.G. Seton

Title: Chief Executive Officer



SCHEDULE "A" – ELECTION FORM

**ELECTION FORM
IN RESPECT OF BESRA GOLD INC. (THE "COMPANY")**

Please read the enclosed instruction letter carefully. Any capitalized terms not defined herein shall have the meaning ascribed thereto in the Proposal of the Company submitted pursuant to Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**Proposal**"). Please print legibly.

1. PARTICULARS OF CREDITOR

(a) Full legal name of Affected Creditor:

(b) Full mailing address of the Affected Creditor:

(c) Other contact information of the Affected Creditor:

Telephone number: _____
Email address: _____
Fax number: _____
Attention: _____

2. CERTIFICATION

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

(a) That I (*check one box only*):

am an Affected Creditor with an Affected Claim against the Company;

OR

am _____ of
(position or title)

(name of Affected Creditor with an Affected Claim against the Company)

(b) That I have knowledge of all the circumstances connected with the Affected Claim.

3. FILING OF ELECTION FORM

This Election Form must be filed with the Trustee, prior to the Implementation Date, by either registered mail, personal delivery, courier or electronic or digital transmission at the following address:

MNP Ltd.,
in its capacity as proposal trustee of Besra Gold Inc.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz and Mark Thomson
Telephone: (416) 515-3924 / (647) 943-4039
Fax: (416) 323-5242
Email: jerry.henechowicz@mnp.ca / mark.thomson@mnp.ca

4. DISTRIBUTION ELECTION

If my Affected Claim is determined to be a Proven Claim, I elect to receive, in full and final satisfaction, compromise, settlement, release and discharge of such Proven Claim (*check one box only*):

- the applicable distributions contemplated under subsection 4.4(a) of the Proposal, being “OPTION 1 – *New Note*”; OR
- the applicable distributions contemplated under subsection 4.4(b) of the Proposal, being “OPTION 2 – *Equity*”; OR
- the applicable distributions contemplated under subsection 4.4(c) of the Proposal, being “OPTION 3 – *50/50 Split*”; OR
- the lesser of CAD\$3,000.00 and such Proven Claim, as contemplated under subsection 4.4(d) of the Proposal, being “OPTION 4 – *Convenience Cash Payment*”.

DATED this _____ day of _____, 2016.

Witness:

Per: _____
Print Name: _____
Print Title: _____

**Instruction Letter for Completing the Election Form in respect of
Besra Gold Inc. (the “Company”)**

The Company has submitted a Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**Proposal**”). Any capitalized terms not defined herein shall have the meaning ascribed thereto in the Proposal.

The Proposal requires, amongst other things, Affected Creditors to file an Election Form with the Trustee.

This letter provides instructions for completing the enclosed Election Form.

The Election Form is intended for any Person with any Affected Claims of any kind or nature whatsoever against the Company, whether unliquidated, contingent or otherwise. Please review the Proposal for the complete definition of Affected Claim.

If you have any questions regarding the Proposal or the Election Form, please contact the Trustee at the address provided below.

All notices and enquiries with respect to the Election Form should be addressed to:

MNP Ltd.,
in its capacity as proposal trustee of Besra Gold Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz and Mark Thomson
Telephone: (416) 515-3924 / (647) 943-4039
Fax: (416) 323-5242
Email: jerry.henechowicz@mnp.ca / mark.thomson@mnp.ca

The Election Form must be completed by an individual and not a corporation. An individual acting for a corporation or other person must state the capacity in which such individual is acting, such as “Credit Manager”, “Treasurer”, “Authorized Agent”, etc. The individual completing the Election Form must have knowledge of the circumstances connected with the Affected Claim. All Election Forms must be signed, dated and witnessed.

If you believe that you have an Affected Claim against the Company, you are required to file an Election Form with the Trustee. In the event an Affected Creditor fails to file an Election Form prior to the Implementation Date, such Affected Creditor shall be deemed to have elected “OPTION 4 – *Convenience Cash Payment*” as set out in the Proposal.

Additional Election Forms can be obtained by contacting the Trustee at the telephone and fax numbers and email addresses indicated above and providing particulars as to your name, address and fax number and/or email address. Once the Trustee has this information, you will receive, as soon as practicable, additional Election Forms.

SCHEDULE “B” – FORM OF NEW NOTE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITY MUST NOT TRADE THE SECURITY BEFORE <*>, 2016 IN CANADA. OTHER JURISDICTIONS MAY HAVE A LONGER HOLDING PERIOD.

BESRA GOLD INC.

3% UNSECURED CONVERTIBLE REDEEMABLE NOTE

CAD\$<*> <*>, 2016

FOR VALUE RECEIVED, BESRA GOLD INC., a corporation continued under the *Canada Business Corporations Act* (the “**Company**”), subject to the terms hereof, promises to pay to <*> (the “**Holder**”), the principal sum of <*> DOLLARS in lawful money of Canada (CAD\$<*>) (the “**Principal**”), with interest payable on the outstanding amount thereof at the rate of three percent (3%) per annum. If not earlier redeemed or converted, the outstanding Principal amount hereof and all accrued but unpaid interest thereon shall be paid in full to the Holder on <*>, 2020 (the “**Maturity Date**”). References herein to an amount designated as “Canadian Dollars” or “CAD\$” are to such amount in lawful money or currency of Canada.

The following is a statement of the rights of the Holder of this Note and the terms and conditions to which this Note is subject, and to which the Holder, by acceptance of this Note, agrees:

1. **Principal Repayment.** The outstanding Principal amount of this Note shall be payable on the Maturity Date, unless this Note has been earlier converted or redeemed as described below.
2. **Interest.** Interest (the “**Interest**”) shall accrue from the date hereof on the unpaid Principal amount of this Note outstanding from time to time at the rate of three percent (3%) per annum, payable on the Maturity Date, unless earlier converted or redeemed pursuant to the terms hereof. This Note will cease accruing Interest on the earliest of: (i) the Maturity Date; (ii) if this Note is converted in accordance with Section 4, the Conversion Date; and (iii) if this Note is redeemed in accordance with Section 8, the date specified in the notice of redemption. In the event that any interest rate provided for herein shall be determined to be unlawful, such interest rate shall be computed at the highest rate permitted by applicable law. Any payment by the Company of any interest amount in excess of that permitted by law shall be considered a mistake, with the excess being applied to the Principal without prepayment premium or penalty. The Company shall, at its sole expense, report interest income on this Note, if any, to the Holder on a Canadian NR4 or other appropriate form in accordance with Canadian or other applicable law. The Company shall bear sole responsibility for any costs or fees in connection with the payment of Interest with respect to this Note, including, but not limited, to wire transfer fees, bank check fees and escrow agent fees.

3. **Ranking.** The Company's obligations under this Note are general unsecured obligations, ranking equally with all of the Company's existing and future unsecured indebtedness of the Company and ranking senior to other indebtedness that is by its terms expressly subordinated to the Notes.

4. **Conversion.**

(a) **Generally.** The Holder shall have the right, exercisable no more than twice in any calendar year prior to the earlier of the Maturity Date or the date of redemption, to convert all, or any portion, of the principal amount of this Note then outstanding (plus any accrued but unpaid interest on the Principal being converted) into common shares of the Company (the "**Common Shares**") at a conversion price (the "**Conversion Price**") equal to CAD\$0.125 per share, subject to adjustment from time to time as hereinafter provided and subject to applicable law or the rules of any stock exchange on which the Common Shares may be listed.

(b) **Mechanics of Conversion.** The conversion of this Note shall be conducted in the following manner:

- (i) the Holder shall deliver a completed and executed Notice of Conversion attached hereto as Exhibit A specifying, *inter alia*, the Principal of this Note that is to be converted (plus any accrued but unpaid interest on the Principal being converted) and shall surrender and deliver this Note (duly endorsed) to the Company's office or such other address that the Company shall designate (the date on which the Holder so delivers such Notice of Conversion and so surrenders and delivers this Note or the next following day other than Saturday, Sunday or any day on which banking institutions in Toronto, Ontario are not open for business (each a "**Business Day**") if such date is not a Business Day is hereinafter referred to as the "**Conversion Date**");
- (ii) the Holder shall deliver to the Company such other instruments as the Company may reasonably request in order to comply with applicable regulatory;
- (iii) in exchange for this Note as so surrendered, the Company shall prepare and deliver irrevocable instructions addressed to the Company's transfer agent to issue to the Holder a number of Common Shares equal to the outstanding Principal then being converted plus the amount of unpaid interest that has accrued on such Principal amount up to, but not including, the Conversion Date, divided by the then applicable Conversion Price, which Common Shares shall be delivered to the Holder within five (5) Business Days following the Conversion Date; and

- (iv) in the event this Note is converted only in part, and not in full, within five (5) Business Days following the Conversion Date, the Company shall issue and provide to the Holder a replacement Note, in a principal amount equal to the unconverted principal amount of this Note with the same terms and conditions as set forth herein (any such new 3% Unsecured Convertible Redeemable Note, a “**Replacement Note**”).

Upon issuance of the Common Shares upon conversion, the Principal (or the portion thereof so converted), together with all accrued but unpaid interest on the portion of the Principal so converted, shall become and be fully paid and satisfied. In the event the Company is prohibited from issuing Common Shares as a result of any restrictions or prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization, the Company shall as soon as possible take such commercially reasonable action to authorize the issuance of the full number of Common Shares issuable upon exercise of this Note.

(c) Adjustments to Conversion Price.

(i) Adjustments for Stock Splits and Consolidations and Stock Dividends. If the Company shall, at any time or from time to time after the date hereof and prior to the earliest of the Maturity Date, the Conversion Date or the date of redemption, effect a stock split or consolidation of the outstanding Common Shares or pay a stock dividend in Common Shares upon its outstanding Common Shares, then the Conversion Price and the rights of the Holder in effect immediately prior to such stock split, consolidation or dividend shall be proportionately adjusted in accordance with applicable laws and the rules of any applicable stock exchange. Any adjustments under this Section 4(c)(i) shall be effective at the close of business on the date the stock split or consolidation becomes effective or the date of payment of the stock dividend, as applicable.

(ii) Merger, Sale, Reclassification, etc. In case of any (i) combination, (ii) merger (including a merger in which the Company is the surviving entity), (iii) sale or other disposition of all or substantially all of the Company’s assets, (iv) distribution of property to shareholders (other than distributions payable out of earnings or retained earnings), (v) reclassification, change or conversion of the outstanding securities of the Company, (vi) reorganization of the Company (or any other corporation the stock or securities of which are at the time receivable upon the conversion of this Note) or (vii) similar corporate reorganization on or after the date hereof and prior to the earliest of the Maturity Date, the Conversion Date or the date of redemption, then and in each such case the registered Holder of this Note, upon the conversion hereof at any time thereafter prior to the earlier of the Maturity Date or the date of redemption shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the conversion hereof prior to the consummation of such combination, merger, sale or other disposition, reclassification, change, conversion or reorganization, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such Holder had converted this Note immediately prior thereto.

(iii) Other Action Affecting Common Shares. If and whenever at any time after the date hereof and prior to the earliest of the Maturity Date, the Conversion Date or the date of redemption, the Company takes any action affecting its Common Shares to which the foregoing provisions of this Section 4(c), in the opinion of the board of directors of the Company, acting reasonably and in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes thereof, or would otherwise materially affect the rights of the Holder hereunder, then the Company shall execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of the Company may determine to be equitable in the circumstances, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. The failure of the taking of action by the board of directors of the Company to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

(d) Elimination of Fractional Interests. No fractional Common Shares shall be issued upon conversion of this Note, nor shall the Company be required to pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated and that all issuances of Common Shares upon conversion shall be rounded up to the nearest whole share.

(e) Post-Conversion Covenant. In the event the Holder is issued Common Shares upon the conversion of this Note pursuant to the terms of this Section 4, the Holder covenants and agrees that the Holder shall not sell more than 25% of the Common Shares issued to the Holder upon the conversion of this Note in any 90 day period.

(f) Legending.

(i) All certificates issued in exchange for or in substitution of this Note (and any certificates issued in exchange or in substitution thereof) shall bear the legends substantially in the following form together with any other legends as may be required by applicable law or stock exchange rules:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITY MUST NOT TRADE THE SECURITY BEFORE <*>, 2020. OTHER JURISDICTIONS MAY HAVE A LONGER HOLDING PERIOD.”

(ii) All certificates representing any Shares issued upon the conversion of this Note (and any certificates issued in exchange or in substitution thereof) shall bear legends substantially in the following form together with any other legends as may be required by applicable law or stock exchange rules:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITY MUST NOT TRADE THE SECURITY

BEFORE <*>, 2020. OTHER JURISDICTIONS MAY HAVE A LONGER HOLDING PERIOD.”

provided that, if at any time, in the opinion of counsel to the Company, such legends are no longer necessary or advisable under any such securities laws, or the holder of any such legended certificate, at the holder’s expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel reasonably satisfactory to the Company) to the effect that such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

5. **Events of Default.** In the event that any of the following (each, an “**Event of Default**”) shall occur:

(a) **Non-Payment.** The Company shall default in the payment of the principal of, or accrued interest on, this Note as and when the same shall become due and payable, whether by acceleration or otherwise; or

(b) **Default in Covenants.** The Company shall default in any material manner in the observance or performance of the affirmative or negative covenants or agreements on its part to be observed or performed set forth in this Note; or

(c) **Illegality of Notes.** Any court of competent jurisdiction issues a final, non-appealable judgment, decree or order declaring the Notes or any provision thereunder to be illegal; or

(d) **Cross Default.** There occurs with respect to any agreement, indenture or instrument under which the Company or its subsidiaries has secured indebtedness of CAD\$10,000,000 or more in the aggregate a default thereunder that then entitles the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity, and such default continues after the applicable grace period, if any, specified in the agreement, indenture or instrument relating to such indebtedness; or

(e) **Bankruptcy.** The Company shall: (i) admit in writing its inability to pay its debts as they become due; (ii) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any of its property, or make a general assignment for the benefit of creditors; (iii) in the absence of such application, consent or acquiesce in, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for any part of its property or assets; or (iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company, and, if such case or proceeding is not commenced by the Company or converted to a voluntary case, such case or proceeding shall be consented to or acquiesced in by the Company or shall result in the entry of an order for relief,

then, and so long as such Event of Default is continuing for a period of two (2) Business Days in the case of Section 6(a), a period of five (5) Business Days in the case of Section 6(d) or for a period of thirty (30) calendar days in the case of events under Sections 6(b) or 6(c) (and the event which would constitute such Event of Default, if curable, has not been cured), after written notice of such Event of Default is received by the Company from the Holder, all Principal under this Note and all accrued and unpaid interest thereon shall be immediately due and payable in cash without presentment, demand, protest or any other action of the Holder of any kind, all of which are hereby expressly waived, and Holder may exercise any other remedies the Holder may have at law or in equity. If an Event of Default specified in Section 6(e) above occurs, all Principal under this Note and all accrued and unpaid interest thereon shall automatically, and without any declaration or other action on the part of any Holder, become immediately due and payable in cash.

6. **Affirmative Covenants of the Company.** The Company hereby agrees that, so long as the Note remains outstanding and unpaid, or any other amount is owing to the Holder hereunder, the Company shall:

(a) **Corporate Existence and Qualification.** Take the necessary steps to preserve its corporate existence and its right to conduct business in all jurisdictions in which the nature of its business requires qualification to do business, except where the failure to be so qualified or in good standing, as the case may be, would not have or reasonably be expected to result in a material adverse effect to the Company;

(b) **Books of Account.** Keep its books of account in accordance with good accounting practices;

(c) **Insurance.** To the extent available on reasonable terms as determined by the Company in its sole discretion, maintain insurance with responsible and reputable insurance companies or associations, as determined by the Company in its sole but reasonable discretion, in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company operates;

(d) **Compliance with Law.** Comply with the charter and bylaws or other organizational or governing documents of the Company, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon the Company or any of its property or to which each the Company or any of its property is subject, except as would not have or reasonably be expected to result in a material adverse effect to the Company;

(e) **Taxes.** Duly pay and discharge all material taxes or other material claims, which may become a lien upon any of its property except to the extent that any thereof are being in good faith appropriately contested with adequate reserves provided therefor;

(f) **Reservation of Common Shares.** At all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Shares,

solely for the purpose of enabling it to issue Common Shares upon exercise of this Note as herein provided, the number of Common Shares that are then issuable and deliverable upon the exercise of this entire Note, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 4). The Company covenants that all Common Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Conversion Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and non-assessable;

(g) Notice of Known Events of Default. The Company shall furnish to the Holder a notice of any occurrence of an Event of Default, and what action the Company is taking or proposes to take with respect thereto, promptly after such Event of Default becomes known to the Company, whether through delivery of a notice from another holder of Notes as contemplated by the last paragraph of Section 5 or otherwise; and

(h) Further Assurances. The Company shall execute and deliver any and all such further documents and take any and all such other actions as may be reasonably necessary or appropriate to carry out the intent and purposes of this Note and to consummate the transactions contemplated herein.

7. Negative Covenants of the Company. So long as this Note remains outstanding and unpaid or unconverted it will not, nor will it permit any of its subsidiaries, without the consent of the Investor Representative (such consent not to be unreasonably withheld), to:

(a) Dividends and Distributions. Pay dividends or make any other distribution on shares of the capital stock of the Company other than intercompany dividends, and distributions between and among the Company and its subsidiaries;

(b) Nature of Business. Materially alter the nature of the Company's business or otherwise engage in any business other than the business engaged in or proposed to be engaged in on the date of this Note; and

(c) Accounting Changes. Make, or permit any Subsidiary to make any change in their accounting treatment or financial reporting practices except as required or permitted by generally accepted accounting principles in effect from time to time or by law

8. Redemption.

(a) The Company will have the right to redeem the Note at any time up to but excluding the Maturity Date or a Conversion Date, as applicable, in whole or in part, by payment in cash to the Holder of the following amounts:

- (i) within 12 months of the date of this Note, at 40% of the Principal plus accrued and unpaid interest thereon;
- (ii) between 12 months and one day and 24 months from the date of this Note, at 50% of the Principal plus accrued and unpaid interest thereon;

- (iii) between 24 months and one day to 36 months from the date of this Note, at 60% of the Principal plus accrued and unpaid interest thereon;
- (iv) between 36 months and one day to 42 months from the date of this Note, at 80% of the Principal plus accrued and unpaid interest thereon; and
- (v) after 42 months and one day from the date of this Note, at 100% of the Principal plus accrued and unpaid interest thereon;

provided, however, that the Holder shall have the right on written notice to the Company given within 15 days of the Redemption Notice Date to decline and reject such redemption in which case the Principal amount plus accrued and unpaid interest on the Note that was subject to redemption shall be converted into Common Shares pursuant to Section 4 hereof without further action by or on behalf of the Holder.

(b) If the Company elects to redeem this Note in accordance with the terms of this Section 8, it shall furnish to the Holder, at least thirty (30) days but not more than sixty (60) days before a redemption date, written notice (the date such notice is given being referred to herein as the “**Redemption Notice Date**”) of the Company’s intention to redeem this Note or, if the Company has elected to redeem only a specified portion of this Note, such specified portion of this Note. The notice shall state: (i) the redemption date; (ii) the redemption price; (iii) the portion (if less than all) of the outstanding Principal the Company has elected to redeem; (iv) that this Note must be surrendered and delivered to the Company to collect the redemption price; and (v) that, unless the Company defaults in making such redemption payment, interest on this Note (or, if the Company has elected to redeem only a portion of this Note, interest on the Principal being redeemed) ceases to accrue on the redemption date. If the Company makes an election to redeem Notes pursuant to this Section 8, it must redeem a pro rata portion of Notes from all holders of Notes and may not choose to redeem Notes only from a select group of Holders.

(c) Upon notice to the Holder that this Note (or any specified portion hereof) has been called for redemption and the failure of the Holder to decline such redemption as contemplated by Section 8(a), this Note (or such specified portion hereof) will become irrevocably due and payable on the redemption date at the redemption price, subject however to the surrender and delivery to the Company of this Note and to any conversion rights of the Holder prior to the redemption. A notice of redemption may not be conditional.

(d) Upon surrender of this Note that is redeemed in part, the Company will deliver to the Holder, at the Company’s expense, a Replacement Note in Principal to the unredeemed portion of the redeemed Note.

9. **Holder Not Deemed a Shareholder.** No Holder, as such, of this Note shall be entitled to vote or receive dividends or be deemed the holder of shares of the Company for any purpose, nor shall anything contained in this Note be construed to confer upon the Holder hereof, as such, any of the rights at law of a shareholder of the Company prior to the issuance to the Holder of Common Shares which the Holder is then entitled to receive upon the due conversion of this Note.

10. **Mutilated, Destroyed, Lost or Stolen Notes.** In case this Note shall become mutilated or defaced, or be destroyed, lost or stolen, the Company shall, at the Holder's expense, execute and deliver a new note of like principal amount in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the destroyed, lost or stolen Note. In the case of a mutilated or defaced Note, the Holder shall surrender such Note to the Company. In the case of any destroyed, lost or stolen Note, the Holder shall furnish to the Company: (i) evidence to its satisfaction of the destruction, loss or theft of such Note and (ii) such security or indemnity as may be reasonably required by the Company to hold the Company harmless.

11. **Waiver of Demand, Presentment, etc.** The Company hereby expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereunder, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder. The Company agrees that, in the event of an Event of Default, to reimburse the Holder for all reasonable costs and expenses (including reasonable legal fees of one counsel for all holders of the Notes) incurred in connection with the enforcement and collection of this Note.

12. **Payment.** All payments with respect to this Note shall be made in lawful money of Canada, at the address of the registered Holder as of the date hereof or as designated in writing by the Holder from time to time. The receipt by the Holder of immediately available funds shall constitute a payment of Principal and interest hereunder and shall satisfy and discharge the liability for principal and interest on this Note to the extent of the sum represented by such payment. Payment shall be credited first to costs associated with the Holder's enforcement of its rights hereunder, if any, second to the accrued interest then due and payable and third, the remainder applied to Principal. The Company shall bear sole responsibility for any costs or fees in connection with all payments with respect to this Note, including but not limited to wire transfer fees, bank check fees, and escrow agent fees.

13. **Assignment.** The rights and obligations of the Company and the Holder of this Note shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties hereto. The Holder may not assign, pledge or otherwise transfer this Note or any interest therein without the prior written consent of the Company. Interest and principal are payable only to the registered Holder of this Note on the books and records of the Company.

14. **Meetings of Noteholders.**

(a) **Right to Convene Meetings.** Either: (x) the Company; or (y) the holders of Notes representing at least 50.1% in principal amount of the Notes then outstanding; may at any time and from time to time convene a meeting of the holders of Notes for such purposes as may be set out in the notice of meeting given by the Company and which purposes may include:

- (i) power to approve any amendment or change whatsoever to any of the provisions of the Notes and any modification, abrogation, alteration,

compromise or arrangement of the rights of the holders of Notes against the Company or against its undertaking, property and assets or any part thereof;

- (ii) power to approve any scheme for the reconstruction or reorganization of the Company or for the consolidation, amalgamation or merger of the Company with or into any other person or for the sale, lease, transfer or other disposition of the undertaking, property and assets of the Company or any part thereof;
- (iii) power to waive any provision hereunder including any Event of Default or the compliance by the Company with any covenant hereunder;
- (iv) power to restrain any Holder of a Note from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal or interest of any Note, or for the execution of any trust or power hereunder;
- (v) power to direct any holder of a Note who, as such, has brought any action, suit or proceeding to stay or discontinue such action, suit or proceeding; and
- (vi) power to agree to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any Common Shares or other securities of the Company.

Every such meeting shall be held in the City of Toronto, Ontario.

(b) Notice of Meetings. Not more than 45 and not less than 21 days' notice of any meeting shall be given to the holders of Notes. Such notice shall state the time when and the place where the meeting is to be held, the record date for voting at the meeting and shall state briefly the general nature of the business to be transacted thereat. The accidental omission to give notice of a meeting to any holder of a Note shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

(c) Chairman. The chairman of the meeting shall be appointed by the Board of Directors of the Company.

(d) Quorum. At any meeting of the holders of Notes, a quorum shall consist of holders of Notes present in person or by proxy and representing at least 50.1% in principal amount of the Notes then outstanding. If a quorum of the holders of Notes shall not be present within 30 minutes from the time fixed for holding any such meeting, the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place, and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting the holders of Notes present in person or by proxy shall form a quorum and may transact the business for which

the meeting was originally convened notwithstanding that they may not represent 50.1% of the principal amount of the Notes then outstanding.

(e) Power to Adjourn. The chairman of any meeting of holders of Notes at which a quorum is present may, with the consent of the Holders of a majority of the aggregate in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

(f) Poll. On every resolution submitted to a meeting of holders of Notes, a poll shall be taken in such manner as the chairman shall direct. Each Noteholder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each \$1,000 principal amount of Notes held by such Holder on the record date fixed for the meeting. A proxy need not be a holder of Notes.

(g) Regulations. The Company may from time to time make and from time to time vary such regulations as it shall from time to time think fit providing for or governing a meeting of holders of Notes. Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting of the holders of any Notes, or as entitled to vote or be present at the meeting in respect thereof, shall be registered holders of Notes and persons whom holders of Notes have duly appointed as their proxies.

(h) Approval of Resolutions. Any resolution considered before a duly convened meeting of holders of Notes shall be approved if approved by a majority in number of the Holders present in person or by proxy at the meeting, representing two-thirds in value of the principal amount of Notes held by the Holders present in person or by proxy at the meeting.

(i) Minutes of Meetings. Minutes of all resolutions and proceedings at every meeting of holders of Notes shall be made and duly entered in the books of the Company, and any such minutes, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated.

(j) Signed Instruments. Any action which may be taken and any power which may be exercised by the holders of Notes at a meeting held pursuant to the terms hereof may also be taken and exercised by instrument in writing signed in one or more counterparts by the majority in number of the holders of Notes, representing two-thirds in value of the principal amount of Notes. Notice of any written resolution so approved shall be given by the Company to the holders of Notes within 30 days of the date on which such resolution was passed.

(k) Binding Effect of Resolutions. Every resolution passed in accordance with the provisions of this Section 14 (including by written instrument) shall be binding upon all holders of Notes, whether present at or absent from such meeting or whether signatories thereto or not, and each and every Holder of Notes shall be bound to give effect to every such resolution and instrument in writing.

15. **Re-Listing Financing.**

(a) In the event that the Company desires to: (i) issue Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares within 36 months of the date hereof (the “**Re-Listing Financing**”); and (ii) on its own initiative list and post the Common Shares for trading on any stock exchange in connection with the Re-Listing Financing, the Holder shall have the right, but not the obligation, to subscribe for such number of Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares as part of the Re-Listing Financing as will permit the Holder to acquire its *pro rata* portion (based on the Principal amount outstanding with respect to the Holder’s Note as compared to the aggregate principal amount outstanding with respect to all Notes) of 15% of the Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares issued in connection with the Re-Listing Financing.

(b) At least 20 business days prior to the expected closing date of the Re-Listing Financing, the Company shall provide each holder of Notes with written notice (a “**Notice of Re-Listing Financing Right**”) setting forth:

- (i) a description of the Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares to be offered;
- (ii) the subscription price for each Common Share or any other instrument that is convertible, exchangeable or exercisable into Common Shares (the “**Subscription Price**”); and
- (iii) the expected closing date of the Re-Listing Financing (the “**Re-Listing Financing Closing Date**”).

(c) Each holder of Notes may exercise its right set out in Section 15(a) by giving written notice of its subscription (the “**Notice of Subscription**”) to the Company within five (5) Business Days after receipt of the Notice of Re-Listing Financing Right (the “**Subscription Period**”).

(d) Each holder of Notes subscribing for Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares pursuant to this Section 15 after having provided its Notice of Subscription during the Subscription Period shall pay the Subscription Price for such Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares subscribed for by such holder of Notes as set forth in the Notice of Subscription concurrently with the closing of the Re-Listing Financing, whether such closing occurs on the Re-Listing Financing Closing Date or a date subsequent to such Re-Listing Financing Closing Date. Upon so doing, the Company shall issue the Common Shares or any other instrument that is convertible, exchangeable or exercisable into Common Shares so subscribed for to such holder of Notes in accordance with the Notice of Subscription concurrently with the closing of the Re-Listing Financing. In the event that a holder of Notes does not deliver its Notice of Subscription during the Subscription Period such holder shall be deemed to have waived its rights pursuant to this Section 15.

16. **Notices.**

(a) Any notice to the Company hereunder shall be valid and effective if delivered personally by courier or by facsimile transmission to, or if given by registered mail, postage prepaid, addressed to, the Company at <*>, Attention: Chief Executive Officer, Facsimile No. <*> and shall be deemed to have been given on the date of delivery personally or by facsimile transmission if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the third Business Day after such letter has been mailed, as the case may be.

(b) All notices to be given hereunder to the Holder shall be valid and effective if such notice is delivered personally, by courier or, sent by first class mail, postage prepaid, or by electronic communication addressed to such Holder at its post office addresses or by electronic communication details maintained in the Company's records. Any notice so delivered or sent by electronic communication or mail shall be deemed to have been given on the day upon which it is delivered or sent, as the case may be. Any accidental error, omission or failure in giving or in delivering or mailing any such notice or the non-receipt of any such notice by the Holder shall not invalidate or otherwise prejudicially affect any action or proceeding founded thereon.

17. **Governing Law.** This Note will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Company and the Holder submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario. To the extent permitted by applicable law, the Holder irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Note in courts of such province.

18. **Severability.** In case any one or more of the provisions of this Note shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Note shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Note.

19. **Headings.** Section headings in this Note are for convenience only, and shall not be used in the construction of this Note.

20. **Cumulative Rights.** The rights and remedies of the Holder are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and are not exclusive of any other rights or remedies available by agreement, by law, at equity or otherwise. All such rights and remedies shall continue in full force and effect until the obligations under this Note have been fully satisfied and discharged.

21. **Rank.** The Notes rank *pari passu* with one another, in accordance with their terms without discrimination, preference or priority and, except to the extent prescribed by

law, with all other present and future unsecured indebtedness of the Company and ranking senior to other indebtedness that is by its terms expressly subordinated to the Notes.

22. **Binding Nature.** By accepting the benefit of this Note, the Holder (and its agents) hereby agree to be bound by any terms of this Note applicable to them.

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

BESRA GOLD INC.

By: _____

Name:

Title:

Exhibit A

**BESRA GOLD INC.
NOTE CONVERSION NOTICE**

Reference is made to the 3% Unsecured Convertible Redeemable Note in the original principal amount of CAD\$_____ of Besra Gold Inc., a corporation continued under the *Canada Business Corporations Act* (the “**Company**”), issued to the undersigned (the “**Note**”).

In accordance with and pursuant to the terms of the Note, the undersigned hereby elects to convert CAD\$_____ of the outstanding principal amount due and owing under the Note, together with all accrued but unpaid interest on such outstanding principal amount to but excluding the date of conversion, into common shares of the Company (the “**Common Shares**”), by tendering the original of the Note for cancellation.

Please issue the Common Shares into which the Note is being converted in the following name and to the following address:

Issue to: _____

Address: _____

Facsimile Number: _____

Authorization: _____

By:
Title:

Dated: _____

SCHEDULE “C” – FORM OF NEW WARRANT

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <*>, 2016 IN CANADA. OTHER JURISDICTIONS MAY HAVE A LONGER HOLDING PERIOD.

BESRA GOLD INC.

COMMON SHARE PURCHASE WARRANT

Initial Holder:		Original Issue Date: <*>, 2016
		No. of Common Shares Subject to Warrant: _____ (subject to adjustment as hereinafter provided)
		Exercise Price Per Common Share: CAD\$0.035 (subject to adjustment as hereinafter provided)
		Expiration Time: 5:00 p.m., Toronto time, on the earlier of: (i) <*>, 2020, and (ii) the date that is two calendar years following the listing, at the Company’s initiative, of the Common Shares on a stock exchange

Besra Gold Inc., a corporation continued under the *Canada Business Corporations Act* (the “**Company**”), hereby certifies that, for value received, the Initial Holder shown above, or its permitted registered assigns (the “**Holder**”), is entitled to purchase from the Company up to the number of common shares (the “**Common Shares**”) shown above (each such share, a “**Warrant Share**,” and all such shares, the “**Warrant Shares**”) at the exercise price per share shown above (as may be adjusted from time to time as provided herein, the “**Exercise Price**”), at any time and from time to time commencing on the original issue date indicated above (the “**Original Issue Date**”) and continuing through and including the expiration time shown above (the “**Expiration Time**”), and subject to the following terms and conditions:

1. List of Warrant Holders. The Company shall record this Warrant upon the register to be maintained by the Company for that purpose (the “**Warrant Register**”), in the name of the record Holder (which shall include the Initial Holder or, as the case may be, any registered assignee to which this Warrant has been permissibly assigned hereunder). The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder and for all other purposes, notwithstanding any notice to the contrary.

2. List of Transfers; Restrictions on Transfer. The Company shall register any transfer of all or any portion of this Warrant in the Warrant Register, upon surrender of

this Warrant, with an instrument of assignment in a form acceptable to the Company duly completed and signed, to the Company at its address specified herein or such address as may be notified in writing by the Company, subject, however, to such transfer being made in compliance with applicable law. Upon any such registration or transfer, a new Warrant to purchase Common Shares, in substantially the form of this Warrant (any such new Warrant, a “**New Warrant**”), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations in respect of the New Warrant that the transferring Holder had in respect of this Warrant (or the portion thereof so transferred).

3. Exercise and Duration of Warrant.

(a) All or any part of this Warrant shall be exercisable by the registered Holder in any manner permitted by this Section 3 at any time and from time to time on or after the Original Issue Date and through and including the Expiration Time. Subject to Section 11 hereof, at the Expiration Time, the portion of this Warrant not exercised prior thereto shall be and become void and of no value, and this Warrant shall be terminated and shall no longer be outstanding.

(b) The registered Holder may exercise this Warrant, in whole or in part, by delivering to the Company (i) an exercise notice, in the form attached hereto (the “**Exercise Notice**”), completed and duly signed, together with this Warrant, and (ii) payment by certified cheque, bank draft, money order or wire transfer of immediately available Canadian funds to an account designated by the Company, of the Exercise Price for the number of Warrant Shares as to which this Warrant is being exercised. The date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an “**Exercise Date**,” and to the extent permitted by law, such exercise shall be deemed to have been effective as at the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrant Shares with respect to which this Warrant has been exercised shall cease, and the person or persons in whose name or names any certificate or certificates for Warrant Shares shall then be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Warrant Shares represented thereby. The Holder shall be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice shall have the same effect as cancellation of the original Warrant and issuance of a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

(c) The Company will not close its stockholder books or records in any manner that prevents the timely exercise of this Warrant pursuant to the terms hereof.

(d) In the event the Company is prohibited from issuing Warrant Shares as a result of any restrictions or prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization, the

Company shall as soon as possible take such commercially reasonable action to authorize the issuance of the full number of Warrant Shares issuable upon exercise of this Warrant.

4. Delivery of Warrant Shares.

(a) The Company shall promptly (but in no event later than three (3) days other than Saturday, Sunday or any day on which banking institutions in Toronto, Ontario are not open for business (each a “**Business Day**”) after the Exercise Date) issue or cause to be issued and cause to be delivered to or upon the written order of the registered Holder and in such name or names as the registered Holder may designate, a certificate for the Warrant Shares issuable upon such exercise, free of any restrictive legends not required by applicable law. The registered Holder shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date. The share certificate to be issued upon the exercise of these Warrants shall bear such restrictive legends required by applicable law.

(b) To the extent permitted by law, the Company’s obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of (i) any action or inaction by the Holder to enforce the same, (ii) the recovery of any judgment against any person or any action to enforce the same, (iii) any set-off, counterclaim, recoupment, limitation or termination, (iv) any breach or alleged breach by the Holder or any other person of any obligation to the Company, (v) any violation or alleged violation of law by the Holder or any other person and (vi) any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares, exclusive, however, of any waiver or consent of the Holder to the contrary. Nothing herein shall limit a Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company’s failure to timely deliver certificates representing Common Shares upon exercise of this Warrant as required pursuant to the terms hereof.

5. Charges and Expenses. Issuance and delivery of certificates for Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer agent fee or expense in respect of the issuance of such certificates, all of which expenses shall be paid by the Company; *provided, however*, that the Company shall not be required to pay any expenses that may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or the Warrants in a name other than that of the registered Holder. The Holder shall be responsible for all tax liabilities that may arise as a result of holding or transferring this Warrant or receiving, holding or transferring Warrant Shares upon exercise hereof.

6. Replacement of Warrant. If this Warrant is mutilated, the Company shall issue or cause to be issued in exchange herefor and upon cancellation hereof a New Warrant. If this Warrant is lost, stolen or destroyed, the Company shall issue or cause to be issued in substitution for this Warrant and upon cancellation hereof a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or

destruction and customary and reasonable indemnity, if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

7. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Shares, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares that are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 8). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and non-assessable.

8. Certain Adjustments to Exercise Price. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 8.

(a) Adjustments for Stock Splits and Consolidation and Stock Dividends. If the Company shall, at any time or from time to time after the date hereof and prior to the Expiration Time, effect a stock split or consolidation of the outstanding Common Shares or pay a stock dividend in Common Shares upon its outstanding Common Shares, then the Exercise Price and the rights of the Holder in effect immediately prior to such stock split, consolidation or dividend shall be proportionately adjusted in accordance with applicable laws and the rules of any applicable stock exchange. Any adjustments under this subsection 8(a) shall be effective at the close of business on the date the stock split or combination becomes effective or the date of payment of the stock dividend, as applicable. Subject to compliance with applicable laws and the rules of any applicable stock exchange, upon each adjustment of the Exercise Price as provided in this subsection 8(a), the registered Holder shall thereafter be entitled to acquire, at the Exercise Price resulting from such adjustment, the number of Warrant Shares (subject to Section 9, calculated to the nearest tenth of a Warrant Share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares that may be acquired hereunder immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

(b) Merger, Sale, Reclassification, etc. In case of any (i) combination, (ii) merger (including a merger in which the Company is the surviving entity), (iii) sale or other disposition of all or substantially all of the Company's assets, (iv) distribution of property to shareholders (other than distributions payable out of earnings or retained earnings), (v) reclassification, change or conversion of the outstanding securities of the Company, (vi) reorganization of the Company (or any other corporation the stock or securities of which

are at the time receivable upon the exercise of this Warrant) or (vii) any similar corporate reorganization on or after the date hereof and prior to the Expiration Time, then and in each such case the registered Holder of this Warrant, upon the exercise hereof at any time thereafter but prior to the Expiration Time shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise hereof prior to the consummation of such combination, merger, sale or other disposition, reclassification, change, conversion or reorganization, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised this Warrant immediately prior thereto.

(c) Other Action Affecting Common Shares. If and whenever at any time after the date hereof and prior to the Expiration Time, the Company takes any action affecting its Common Shares to which the foregoing provisions of this Section 8, in the opinion of the board of directors of the Company, acting reasonably and in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes thereof, or would otherwise materially affect the rights of the Holder hereunder, then the Company shall execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of the Company may determine to be equitable in the circumstances, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. The failure of the taking of action by the board of directors of the Company to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

9. No Fractional Shares. Notwithstanding anything to the contrary contained herein or in any other Transaction Document, no fractional Warrant Shares will be issued in connection with any exercise of this Warrant it being the intent of the parties that all fractional interests shall be eliminated and that all issuances of Warrant Shares upon the exercise of this Warrant shall be rounded up to the nearest whole Warrant Share.

10. Notices.

(a) Any notice to the Company hereunder shall be valid and effective if delivered personally by courier or by facsimile transmission to, or if given by registered mail, postage prepaid, addressed to, the Company at <*>, Attention: Chief Executive Officer, Facsimile No. <*> and shall be deemed to have been given on the date of delivery personally or by facsimile transmission if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the third Business Day after such letter has been mailed, as the case may be.

(b) All notices to be given hereunder to the Holder shall be valid and effective if such notice is delivered personally, by courier or, sent by first class mail, postage prepaid, or by electronic communication addressed to such Holder at its post office addresses or by electronic communication details maintained in the Company's records. Any notice so delivered or sent by electronic communication or mail shall be deemed to have been

given on the day upon which it is delivered or sent, as the case may be. Any accidental error, omission or failure in giving or in delivering or mailing any such notice or the non-receipt of any such notice by the Holder shall not invalidate or otherwise prejudicially affect any action or proceeding founded thereon.

11. Legending.

(a) All certificates issued in exchange for or in substitution of this Warrant (and any certificates issued in exchange or in substitution thereof) shall bear legends substantially in the following form together with any other legends as may be required by applicable law or stock exchange rules:

UNLESS PERMITTED UNDER SECURITIES
LEGISLATION, THE HOLDER OF THIS SECURITY MUST
NOT TRADE THE SECURITY BEFORE <*>, 2016 IN
CANADA. OTHER JURISDICTIONS MAY HAVE A
LONGER HOLDING PERIOD.

(b) All certificates representing any Warrant Shares issued upon the exercise of this Warrant (and any certificates issued in exchange or in substitution thereof) shall bear legends substantially in the following form together with any other legends as may be required by applicable law or stock exchange rules:

UNLESS PERMITTED UNDER SECURITIES
LEGISLATION, THE HOLDER OF THIS SECURITY MUST
NOT TRADE THE SECURITY BEFORE <*>, 2016 IN
CANADA. OTHER JURISDICTIONS MAY HAVE A
LONGER HOLDING PERIOD.

provided that, if at any time, in the opinion of counsel to the Company, such legends are no longer necessary or advisable under any such securities laws, or the holder of any such legended certificate, at such holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel satisfactory to the Company) to the effect that such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate that does not bear such legend.

12. Miscellaneous.

(a) This Warrant shall be binding on and enure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any person other than the Company and the registered Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the registered Holder or their successors and assigns.

(b) This Warrant will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Company and the Holder submit and

attorn to the exclusive jurisdiction of the courts of the Province of Ontario. To the extent permitted by applicable law, the Holder irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Warrant in courts of such province.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby, and the parties will attempt in good faith to agree upon a valid and enforceable provision that shall be a commercially reasonable substitute therefor and, upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Prior to exercise of this Warrant, the registered Holder hereof shall not, by reason of being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

(f) No provision hereof, in the absence of any affirmative action by the registered Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the registered Holder, shall give rise to any liability of the registered Holder for the purchase price of any Common Shares or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(g) For the purposes of this Section 12, the Holder of this Warrant and the successors and assigns thereof shall be deemed parties to this Warrant; and by accepting this Warrant, the Holder of this Warrant and the successors and assigns thereof agree to be bound by the provisions of this Section 12 as if the same were signatories and parties to this Warrant and agree to be bound by Section 4 and the other provisions hereof providing for any agreement by, or obligation of, such Holder.

(h) This Warrant constitutes the complete and exclusive statement and agreement of the Company and the Holder in respect of the subject matter contained herein and supersedes, and merges herein, all prior and contemporaneous negotiations, discussions, representations, understandings and agreements, whether oral or written, with respect such subject matter. No representation, warranty, restriction, promise, undertaking or other agreement with respect to such subject matter has been made or given other than those expressly set forth in this Warrant.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

BESRA GOLD INC.

By: _____
Name:
Title:

EXERCISE NOTICE

TO: BESRA GOLD INC.

Ladies and Gentlemen:

(1) The undersigned represents that he, she or it is the registered owner of a certain Common Share Purchase Warrant having any Original Issue Date of <*>, 2016 and that is exercisable for _____ (_____) common shares of the Company (such Common Share Purchase Warrant, the “Warrant”).

(2) The undersigned hereby irrevocably elects to exercise the Warrant with respect to _____ (_____) Common Shares. Capitalized terms that are used herein and are defined in the Warrant are, unless otherwise defined herein, used herein with the respective meanings ascribed to such terms in the Warrant.

(3) The undersigned shall pay the sum of CAD\$ _____ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the undersigned the number of Warrant Shares determined in accordance with the terms of the Warrant.

(5) The undersigned shall deliver to the Company such other instruments as the Company may reasonably request in order to comply with applicable regulatory requirements or stock exchange rules.

NAME: (please print)	
ADDRESS:	

DATED this _____ day of _____, _____.

(Signature)