

Besra seeks permission to exclude former subsidiaries from annual financial statements; provides further background on divestment of Vietnamese operations

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AUCKLAND, New Zealand, Dec. 7, 2017 /CNW/ - [Besra Gold Inc.](#) ("Besra") advises that it continues to work to remedy its continuous disclosure defaults with a view to applying for a revocation in full of the cease trade orders in respect of Besra's securities issued by the Ontario Securities Commission and certain other Canadian securities administrators. As part of its work, Besra has submitted a pre-filing application (the "Pre-Filing Application") with the Ontario Securities Commission to request relief to permit Besra to file historical audited annual financial statements on a "carve-out" basis to exclude disclosure relating to Besra's former Vietnamese subsidiaries and operations.

Bong Mieu Gold Mining Company ("BMGMC") and Phuoc Son Gold Company ("PSGC"), both former subsidiaries of Besra, were disposed of by Besra as part of a transaction pursuant to which Besra sold all of its interests in Vietnam as disclosed in a media release issued by Besra on 10 July 2017 and 3 April 2017.

On 1 March 2017, the Board of Directors of Besra received a favourable fairness opinion (the "Report") from Saigon Asset Management on the divestment of all Besra's Vietnamese subsidiaries, rather than a valuation on the transaction as was described in the management information circular dated April 18, 2017. The Report was one of the factors the Board of Directors considered in approving the divestment transaction.

The Report referenced audited annual financial statements (prepared in accordance with Vietnamese accounting standards and audited in accordance with Vietnamese auditing standards) for the year ended 30 June 2016 for both BMGMC and PSGC and these were also considered by the Board in its deliberations regarding the divestment of the subsidiaries.

The following is a summary of the financial results for each of BMGMC and PSGC.

Summary of Operating Results for year ended 30 June 2016

In United States dollars

	Bong Mieu Phuoc Son	
Gold Sales	1,205,174	-
Cost of Sales	6,585,711	-
Depreciation	1,797,167	-
Royalties	17,502	-
Environmental Fees	37,801	-
Administration & Other Expenses		7,569,237
(Loss) from Mine Operations	(7,233,007)	(7,569,237)

Cost per ounce

Gold Produced (oz)	1,113	-
Cost of Sales	6,585,711	-
Inventory Adjustment	-38,603	-
Total Cost per Ounce	5,884	-

Deferred Exploration & Development	24,989	464,773
Property, Plant & Equipment	509,203	3,860,387

Bong Mieu Summary

Minimal mining operations were conducted at Bong Mieu in FY2016. 1,113 ounces were produced netting USD1,205,174 in revenue from gold sales. As at 30 June 2016, Bong Mieu Gold Mining Company had accumulated losses of USD41,001,003 and total liabilities of USD54,779,601 as compared to total assets of USD13,778,598.

BMGMC suspended operations in June 2015 due to the continuing interference from the Quang Nam Tax Department (QNTD) preventing it from undertaking sales of gold. In the ensuing months, BMGMC worked with, and lodged letters petitioning, Quang Nam People's Committee (QNPC), QNTD, and the General Department of Taxation (GDT) to allow the Company to issue single invoices for each gold sale in order to maintain production and generate revenue to pay tax debts. This was rejected. At the end of September 2015 BMGMC resumed production with the assistance of [Besra Gold Inc.](#) in the form of a gold loan.

In March 2016 the QNTD effectively stopped BMGMC from being able to conduct business by invalidating its invoice book. At the same time the company was petitioning the government to extend its investment certificate and mining licences which was refused on 25 May 2016. By 30 June 2016 BMGMC had been instructed by the Vietnamese Government to cease all operations.

Phuoc Son Summary

There were no mining and milling operations conducted at the Phuoc Son site in FY2016 and as a result no revenues were generated. At the end of the period, Phuoc Son Gold Company had accumulated losses of USD34,366,011 and total liabilities of USD57,394,088 as compared to total assets of USD23,028,077.

PSGCs operations have been suspended since July 2014 with little headway being made due to the ongoing actions and unreasonable demands of the QNTD. Even with a new well funded local partner on board and bank guarantees in place, the QNTD failed to see reason and permit the company to resume operations to enable it to resolve outstanding tax debt and meet creditor payments.

On 23 May 2017 the divestment was put to a Special Meeting of Shareholders and approved by an overwhelming majority.

The Pre-Filing Application was made because Besra is unable to provide sufficient documentation relating to its former Vietnamese subsidiaries and operations to allow Besra's auditor to provide an unqualified audit opinion relating to such subsidiaries and operations. Besra is also of the view that, given the disposition of the Vietnamese subsidiaries and operations, historical financial information related to Besra's former Vietnamese subsidiaries and operations is not relevant to current investors.

As the Pre-Filing Application remains under consideration by the Ontario Securities Commission, there can be no assurance that Besra will obtain the requested relief. If the requested relief is granted, Besra intends to apply for a revocation in full of the cease trade orders imposed against its securities by Canadian securities regulatory authorities. If the requested relief is granted, Besra intends to apply for a revocation in full of all cease trade orders issued in respect of its securities by the Ontario Securities Commission and other Canadian securities regulatory authorities.

All documents filed by the Company are available at www.sedar.com.

[Besra Gold Inc.](#)

John A G Seton
Chief Executive Officer

Besra - www.besra.com - Besra is focused on the exploration, development and mining of mineral properties in South East Asia. The Company is currently developing the Bau Goldfield in East Malaysia.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements made and information contained herein is "Forward-looking information" within the meaning of applicable securities laws, including statements concerning our plans at our producing mines and exploration projects, which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, failure to establish estimated resources or to convert resources to mineable reserves; the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; delays in obtaining or failure to obtain required governmental, environmental, or other project approvals; changes in national and local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment; political or economic instability; terrorism; inflation; changes in currency exchange rates; fluctuations in commodity prices; delays in the development of projects; shortage of personnel with the requisite knowledge and skills to design and execute exploration and development programs; difficulties in arranging contracts for drilling and other exploration and development services; dependency on equity market financings to fund programs and maintain and develop mineral properties; and risks associated with title to resource properties due to the difficulties of determining the validity of certain claims and other risks and uncertainties, including those described in each management's discussion and analysis released by the Company. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; the assumed long-term price of gold; the availability of permits and surface rights; access to financing, equipment and labour and that the political environment in the jurisdictions within which the Company operates will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements, which speak only as of the date they are made. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

SOURCE [Besra Gold Inc.](#)

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