

BELARAROX LIMITED

ABN 41 649 500 907

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022



ASX: BRX

www.belararox.com.au



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Corporate Directory

Directors

Neil Warburton, Non-Executive Chairman
Arvind Misra, Managing Director
Michelle Stokes, Non-Executive Director
Simon Robertson, Non-Executive Director
John Traicos, Non-Executive Director

Registered Office

Level 11, 12-14 The Esplanade
Perth WA 6000
Telephone: (+61) 417 934 998
info@belararox.com.au
Website: www.belararox.com.au

Company Secretary

John Traicos

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: BRX

Solicitors to the Company

Allion Partners Pty Limited
Level 9, 863 Hay Street
Perth WA 6000

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited
Telephone: 1300 850 505 (within Australia) or
+61 3 9415 4000 (outside Australia)



Directors

The following persons were directors of Belararox Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| Name | Status | Appointed |
|-----------------|------------------------|------------------|
| Neil Warburton | Non-Executive Chairman | 21 June 2021 |
| Arvind Misra | Managing Director | 8 June 2021 |
| John Traicos | Non-Executive Director | 1 June 2022 |
| Simon Robertson | Non-Executive Director | 1 June 2022 |
| Michelle Stokes | Non-Executive Director | 16 April 2021 |

Principal activities

During the financial half-year the principal continuing activities of the Company consisted of exploration and evaluation of:

- The Belara project – a 643 square kilometre tenement package located in central NSW. The Belara project is a highly prospective near-term base-metal production opportunity, with potential for zinc, copper, silver lead, and gold in close proximity to well developed infrastructure; and
- The Bullabulling project – an early-stage gold exploration tenement package comprising of 26 granted prospecting licences located 30km west of Coolgardie in the Eastern Goldfields of WA, in close proximity to the Bullabulling gold mine.

Review of operations

The loss from continuing operations for the financial half year after providing for tax amounted to \$1,778,568 (December 2021 loss: \$548,534).

Exploration

During the period, Phase 1 resource drilling has been successfully concluded at Belara and Native Bee. A total of 38 holes for 5,871 m have been drilled, with 3 holes abandoned.

A maiden Mineral Resource Estimate (MRE) was completed in accordance with the JORC (2012) Code for Belara and Native Bee with Inferred Resources of 5.0 million tonnes (Mt) at 3.41% Zinc equivalent (ZnEq). The MRE includes: 1.82% Zinc; 0.33% Copper; 0.63% Lead; 17.5 g/t Silver and 0.21g/t Gold at a 0.85% ZnEq cut-off (see ASX announcement dated 3 November 2022).

Electromagnetic surveys (FLEM and DHEM) were conducted to test for extensions to known mineralisation within the broader Belara and Native Bee project. Downhole electromagnetic data confirmed the extension of mineralisation in and around Native Bee with localised zones of high conductance.

Geometallurgical, sequential open circuit flotation tests on low-grade composite from early Belara drilling confirms the potential for producing saleable Copper, Lead, and Zinc concentrate grades with recoveries to improve on more representative samples from recent drilling. Testwork was conducted at Auralia Metallurgical Laboratories under the management of JT Metallurgical Services with the key outcomes being the derivation of a flowsheet and reagent conditions capable of producing saleable copper (>20%), lead (>30%), and zinc (>50%) concentrates.



Planning for Phase 2 drilling program was completed. Phase 2 drilling aims to target down dip extensions to the Belara deposit, and the Native Bee mine and its southern extensions.

Additional activities included ongoing mapping and ground truthing of areas to the north of Belara and to the south of Native Bee to assess for the potential of extensions to known mineralisation.

Subsequent events

- Belararox announced execution of a non-binding terms sheet with Fomo Ventures No1 Pty Ltd to acquire its Toro – Malambo – Tambo (TMT) Project in Argentina. TMT is an extensive 32,000 hectare project with potential for large scale Base Metal mineralisation and untested porphyry targets.
- Belararox' NSW landholding increased by 300% with the grant of two pending ELAs. ELA6287 was granted as EL9523 and ELA6176 was granted as EL9538 during the month of February 2023 for 5 years.
- The Phase 2 drill campaign at Belara and Native Bee commenced.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial half-year.

Events subsequent to reporting date

As announced on 3 January 2023, the Company executed a Non-Binding Terms Sheet with Fomo Ventures No 1 Ltd ("FOMO") and its shareholder to acquire the TMT Project in Argentina. In addition, the Company issued Appendix 3B's giving notice of the proposed issue of the following securities should the transaction with FOMO be approved by BRX shareholders after due diligence:

- 2,500,000 ordinary fully paid BRX shares;
- 1,000,000 Listed Options (BRXO); and
- 10,500,000 Performance Shares subject to meeting conditions outlined in the FOMO Release

There were no other matters or circumstance which have arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.



**Belararox Limited
Directors' report
31 December 2022**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Arvind Misra
Managing Director

15 March 2023
Perth

Competent Person's Statement

The information in this announcement to which this statement is attached relates to Exploration Results and is based on information compiled by Mr Chris Blaser. Mr Blaser is the Exploration Manager of Belararox Ltd and is a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG) and Australasian Institute of Mining and Metallurgy (AusIMM). Mr Blaser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration techniques being used to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Blaser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the estimation and reporting of the Maiden Resource Estimate delivered for Belara and Native Bee is extracted from the ASX announcement dated 03 November 2022 which is available to view at www.belararox.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from announcement.

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF BELARAROX LIMITED

As lead auditor for the review of Belararox Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Belararox Limited.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth
15 March 2023



Belararox Limited
Condensed Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

| | Note | 31 Dec 2022 \$ | 31 Dec 2021 \$ |
|---|------|----------------------|----------------------|
| Revenue and other income | | | |
| Interest income | | 5,418 | 17 |
| | | <u>5,418</u> | <u>17</u> |
| Expenses | | | |
| Exploration expense | 3 | - | 20,055 |
| Legal, professional and consulting expenses | | 232,830 | 244,876 |
| Directors fees | 5 | 272,353 | 142,940 |
| Share-based payments | | 331,929 | 83,171 |
| Depreciation and amortisation expense | | 1,990 | - |
| Interest expense | | 27 | - |
| Employee benefits expense | | 41,802 | - |
| Other expenses | | 289,794 | 57,509 |
| Loss before income tax expense | | (1,165,307) | (548,534) |
| Income tax expense | | - | - |
| Loss after income tax expense for the financial half-year | | (1,165,307) | (548,534) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the half-year attributable to the owners of Belararox Limited | | (1,165,307) | (548,534) |
| | | Cents | |
| Basic earnings per share | | (2.30) | (3.05) |
| Diluted earnings per share | | (2.30) | (3.05) |

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



Belararox Limited
Condensed Statement of financial position
As at 31 December 2022

| | Note | 31 Dec 2022 \$ | 30 Jun 2022 \$ |
|-----------------------------------|------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 3,234,696 | 2,961,129 |
| Trade and other receivables | | 86,096 | 159,697 |
| Other current assets | | 105,512 | 52,625 |
| Total current assets | | <u>3,426,304</u> | <u>3,173,451</u> |
| Non-current assets | | | |
| Plant and equipment | | 15,501 | 13,401 |
| Exploration and evaluation assets | 3 | 3,821,466 | 2,103,914 |
| Total non-current assets | | <u>3,836,967</u> | <u>2,117,315</u> |
| Total assets | | <u>7,263,271</u> | <u>5,290,766</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 226,159 | 1,091,575 |
| Total current liabilities | | <u>226,159</u> | <u>1,091,575</u> |
| Total liabilities | | <u>226,159</u> | <u>1,091,575</u> |
| Net assets | | <u>7,037,112</u> | <u>4,199,191</u> |
| Equity | | | |
| Issued capital | 4 | 8,819,839 | 5,473,504 |
| Option reserve | | 236,469 | 184,169 |
| Share-based payment reserve | 5 | 2,340,180 | 1,735,587 |
| Accumulated losses | | (4,359,376) | (3,194,069) |
| Total equity | | <u>7,037,112</u> | <u>4,199,191</u> |

The above statement of financial position should be read in conjunction with the accompanying notes



Belararox Limited
Condensed Statement of changes in equity
For the half-year ended 31 December 2022

| | Note | Issued capital \$ | Share- based payment reserve \$ | Option reserve | Accumulated losses \$ | Total equity \$ |
|--|------|-------------------------|---|-------------------|-----------------------------|-----------------------|
| Balance as at 1 July 2021 | | 715,000 | (120,607) | - | 2,257 | 596,650 |
| Loss for the period | | - | (548,534) | - | - | (548,534) |
| Other comprehensive income, net of income tax | | - | - | - | - | - |
| Total comprehensive loss | | - | (548,534) | - | - | (548,534) |
| Issue of ordinary shares (net of costs) | 3 | - | - | - | - | - |
| Share based payments | 5 | - | - | - | 83,171 | 83,171 |
| Balance as at 31 December 2021 | | 715,000 | (669,141) | - | 85,428 | 131,287 |
| Balance as at 1 July 2022 | | 5,473,504 | 1,735,587 | 184,169 | (3,194,069) | 4,199,191 |
| Loss for the period | | - | - | - | (1,165,307) | (1,165,307) |
| Other comprehensive income, net of income tax | | - | - | - | - | - |
| Total comprehensive loss | | - | - | - | (1,165,307) | (1,165,307) |
| Issue of ordinary shares (net of costs) | 3 | 3,346,335 | - | - | - | 3,346,335 |
| Issue of loyalty options (net of costs) | | - | - | 52,300 | - | 52,300 |
| Share based payments | 5 | - | 604,593 | - | - | 604,593 |
| Balance as at 31 December 2022 | | 8,819,839 | 2,340,180 | 236,469 | (4,359,376) | 7,037,112 |

The above statement of changes in equity should be read in conjunction with the accompanying notes



Belararox Limited
Statement of cash flows
For the half-year ended 31 December 2022

| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
|---|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Payments to suppliers and employees (inclusive of GST) | (1,101,289) | (423,852) |
| Interest received | 5,418 | 17 |
| Net cash used in operating activities | <u>(1,095,871)</u> | <u>(423,835)</u> |
| Cash flows from investing activities | | |
| Payments for exploration and evaluation | (2,297,772) | (24,760) |
| Payments for plant and equipment | (4,090) | - |
| Net cash used in investing activities | <u>(2,301,862)</u> | <u>(24,760)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 3,850,000 | - |
| Payments of share issue costs | (231,000) | - |
| Proceeds from loyalty options issued | 52,300 | - |
| Net cash provided by financing activities | <u>3,671,300</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents | 273,567 | (448,595) |
| Cash and cash equivalents at the beginning of the financial half-year | <u>2,961,129</u> | <u>563,861</u> |
| Cash and cash equivalents at the end of the financial half-year | <u>3,234,696</u> | <u>115,266</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes



Note 1. Significant accounting policies

These general purpose financial statements (the “financial statements”) for the interim half-year reporting period ended 31 December 2022 (the “financial half-year”) is a condensed interim financial report, prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These financial statements do not include all the notes and full disclosures of the type normally included in annual financial statements. Accordingly, it is recommended that these financial statements are to be read in conjunction with the financial report for the period ended 30 June 2022 and any public announcements made by the company during and since the financial half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the financial report for the period ended 30 June 2022, unless otherwise stated.

The financial report of the Company for the half year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors.

Belararox Limited is a listed public for-profit company, trading on the Australian Securities Exchange, limited by shares. Belararox Limited is incorporate and domiciled in Australia. The Company’s registered office and principal place of business is Level 11, 12-14 The Esplanade, Perth WA 6000.

Basis of preparation

The financial statements, except for cash flow information, has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of the financial report for the financial half-year in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the financial half-year of \$1,165,307.

Having reviewed the cashflow forecast prepared by Management of the Company, the Directors believe that the Company has sufficient cash on hand to continue its normal business activities and ensure the realisation of assets and extinguishment of liabilities as and when they fall due for at least the next 12 months from the date of this financial report.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191, relating to the ‘rounding off’ of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest dollar.

New or amended Accounting Standards or Interpretations issues but not yet effective

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



Note 2. Operating segments

The Company operates within the mineral exploration industry within Australia.

The Company determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The executive management team currently receive a Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards. Therefore there is no additional information to disclose.

The Statement of Financial Position and Statement of Comprehensive Income information received by the executive team does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information.

Based on this criterion, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

Note 3. Exploration and evaluation expenditure

| | Dec 2022 | June 2022 |
|-----------------|---------------------|----------------------|
| | \$ | \$ |
| Opening balance | 2,103,914 | 112,500 |
| Additions | 1,717,552 | 1,991,414 |
| Closing balance | <u>3,821,466</u> | <u>2,103,914</u> |

The value of the Company's interest in carried forward exploration expenditure is dependent upon the continuance of the Company's rights to tenure of the areas of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Note 4. Issued capital

| | Dec | | June | |
|------------------------------|---------------|-------------|---------------|-------------|
| | 2022 | 2022 | 2022 | 2022 |
| | Number | \$ | Number | \$ |
| Ordinary shares - fully paid | 54,430,020 | 8,032,819 | 47,080,020 | 5,473,504 |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|-------------|-------------------|--------------------|------------------|
| Opening Balance | 1-July-21 | 18,000,000 | - | 715,000 |
| Issue of shares – Initial public offering | 28-Jan-22 | 25,330,020 | 0.200 | 5,066,004 |
| Issue of shares – exercise of performance rights | 30-Mar-22 | 3,000,000 | - | - |
| Issue of shares – exercise of performance rights | 01-Apr-22 | 750,000 | - | - |
| Less: Capital raising costs | | - | - | (307,500) |
| Closing Balance | 30-Jun-22 | <u>47,080,020</u> | | <u>5,473,504</u> |



Belararox Limited
Notes to the financial statements
31 December 2022

Note 4. Issued capital (continued)

| | | | | |
|--------------------------------|-----------|------------|-------|-----------|
| Opening Balance | 1-Jul-22 | 47,080,020 | - | 5,473,504 |
| Exercise of performance rights | 22-Aug-22 | 250,000 | - | - |
| Share Placement | 5-Oct-22 | 7,000,000 | 0.550 | 3,850,000 |
| Exercise of performance rights | 2-Nov-22 | 100,000 | - | - |
| Less: Capital raising costs | | - | - | (503,665) |
| Closing balance | 31-Dec-22 | 54,430,020 | | 8,819,839 |

Note 5. Reserves

| | Dec 2022 | June 2022 |
|------------------------------|---------------------|----------------------|
| | \$ | \$ |
| Share-based payments reserve | 2,340,180 | 1,735,587 |
| Options reserve | 236,469 | 184,169 |
| | <u>2,576,649</u> | <u>1,919,756</u> |

Share-based payment reserve

The share-based payments reserve is used to recognise the fair value of options granted to consultants and performance rights issued under the Company's Long-term Incentive Plan.

Option reserve

The option reserve is used to recognise the amounts received and raised for options issued in accordance with a prospectus issued.

i. Movements in reserves

Movements in each class of reserve during the current and previous period are set out below:

| Details | Share- based payment reserve \$ | Option reserve \$ | Total \$ |
|--|---|-------------------------|------------------|
| Opening Balance as at 1 July 2021 | 2,257 | - | 2,257 |
| In period expense | 1,733,330 | 184,169 | 1,917,499 |
| Closing Balance as at 30 June 2022 | <u>1,735,587</u> | <u>184,169</u> | <u>1,919,756</u> |
| Opening Balance as at 1 July 2022 | 1,735,587 | 184,169 | 1,919,756 |
| In period expense | 604,593 | 52,300 | 656,893 |
| Closing balance as at 31 December 2022 | <u>2,340,180</u> | <u>236,469</u> | <u>2,576,649</u> |

ii. Valuation of share-based payments and options issued during the half-year ended 31 December 2022

Option reserve

Loyalty options issued

The company issued 5,123,182 Loyalty Options at an issue price of \$0.01 per option during the period ended 31 December 2022, exercisable at \$0.95 per option with an expiry date of 6 June 2024. These options were placed under the Shortfall Offer as detailed in the Prospectus issued by the Company on 2 May 2022, for a non-renounceable entitlement issue of Loyalty Options to eligible shareholders. A total of \$51,231 in proceeds was received as a result.



Note 5. Reserves (continued)

In addition, the Company issued:

- 2,000,000 unlisted advisory options to Raven Corporate Pty Ltd as consideration for corporate advisory services at an issue price of \$0.0001 per option, as at 31 December 2022; and
- 6,850,000 unlisted options issued to CPS Securities Pty Ltd as consideration for services as lead manager.

Options issued to Raven Corporate Pty Ltd were expensed during the year ended 30 June 2022. Further details regarding the unlisted options issued to CPS Securities Pty Ltd are outlined below.

Share-based payment reserve

Share-based payments - Performance Rights issued

Performance rights are issued to key management personnel under the Company's Long Term Incentive Plan (the "Plan").

The purpose of the Plan was to assist in the reward, retention and motivation of key management personnel by aligning their interests more closely with the interest of the Company. It also provides key management personnel with the opportunity to share in any future growth in value of the Company.

Details of Performance Rights issued to Directors as part of their compensation during the period ended 31 December 2022 are set out below:

| Name | Date | Milestone 1 | Milestone 2 | Milestone 3 |
|--------------|-------------|--------------------|--------------------|--------------------|
| Chris Blaser | 28-Jul-22 | 100,000 | 200,000 | 200,000 |

The fair value of the performance rights granted during in July 2022 to Chris Blaser was determined through the use of a Black Scholes model, utilising the following inputs:

| | Milestone 1 | Milestone 2 | Milestone 3 |
|----------------------------------|--------------------|--------------------|--------------------|
| Share price | \$0.35 | 0.35 | \$0.35 |
| Exercise Price | - | - | - |
| Interest rate | 2.69% | 2.69% | 2.69% |
| Share price volatility | 111.74% | 95.94% | 106.35% |
| Time to maturity (years) | 0.26 | 1.01 | 1.93 |
| Dividend yield | - | - | - |
| Fair value per performance right | <u>0.35</u> | <u>0.35</u> | <u>0.35</u> |

These Performance Rights were with the following performance conditions:

Milestone 1 Performance Rights will vest on satisfaction of all of the following performance conditions: A JORC 2012 Inferred Resource at the Belara Project announced to the ASX by the Company by the 31st October 2022.

Milestone 2 Performance Rights will vest upon: A JORC 2012 Indicated Resource at the Belara Project announced to the ASX by the Company by the 31st July 2023.

Milestone 3 Performance Rights will vest upon: Completion and announcement by the Company to the ASX of a positive scoping study on the Belara Project by the 30th June 2024.



Note 5. Reserves (continued)

The total fair value of share-based payments is recognised over the expected vesting period for milestones 1, 2 and 3, which are 0.3, 1 and 1.9 years respectively from the Grant Date to Mr Blaser.

As a result, a total of \$80,207 was recognised in relation to these Performance Rights as share-based payments within the Condensed Statement of profit or loss for the period ended 31 December 2022.

During the period ended 31 December 2022 milestone 1 had been met and 100,000 performance rights vested, resulting in 100,000 fully paid shares being issued on 2 November 2022.

Share-based payments – Options issued

On 21 September 2022, the Company entered into a mandate for corporate advisory services (the “Mandate”) with CPS Capital Group Pty Ltd (“CPS Capital”). Under the terms of the Mandate, CPS Capital as the sole Lead Manager to the Placement, received a fee of 2% (plus GST) for managing the Placement and a fee of 4% (plus GST) for funds raised via the Placement.

In addition to the above advisory fee, CPS Corporate received 3,000,000 Lead Manager Options and 1 free attaching Broker Option for every \$1 raised in the placement. The Company completed a capital raising of \$3,850,000 (before costs), resulting in an additional 3,850,000 Broker Options issued. These options were issued as follows:

- 6,850,000 unlisted options issued for nil consideration, exercisable at \$0.95 per option with a 1.6-year expiry term

These options were to be issued upon shareholder approval being received, which was obtained at the Company’s Annual General Meeting.

The fair value of the advisory options which were granted to CPS Corporate was determined through the use of a Black Scholes Merton option pricing model, utilising the following inputs:

| | |
|---|---------------|
| Share price at measurement date (3 November 2022) | \$0.30 |
| Exercise Price | \$0.95 |
| Interest rate | 3.19% |
| Share price volatility | 106.35% |
| Time to maturity (years) | 1.6 |
| Dividend yield | - |
| Fair value per advisory option | <u>\$0.07</u> |

The options were issued with no attached vesting conditions. On the basis the 1 free attaching option for every \$1 raised are incremental costs directly associated with issuance, the Company has accounted for 3,850,000 Broker Options as a reduction of equity, amounting to \$272,665 and the 3,000,000 Lead Manager Options have been expensed, amounting to \$212,446 during the period ended 31 December 2022.

Note 6. Contingent liabilities

The Company did not have any contingent assets or liabilities as at 31 December 2022 (30 June 2022: nil).



Note 7. Commitments

In order to maintain current rights of tenure to exploration tenements, the Company will be required to meet minimum expenditure requirements on its areas of interest. Outstanding exploration commitments are as follows:

| | Dec 2022 | June 2022 |
|---|---------------------|----------------------|
| | \$ | \$ |
| Within one year | 255,560 | 253,560 |
| Later than one year but not later than five years | 914,460 | 350,000 |
| | <u>1,170,020</u> | <u>603,560</u> |

Note 8. Related party transactions

Transactions and balances with related parties

Transactions with related parties, including their nature and amounts owing at 31 December 2022, are set out below:

| Key management personnel or their related party | Nature of transactions | Transaction value | Payable Balance |
|---|---|--------------------------|------------------------|
| <i>Kenex Pty Ltd / Michelle Stokes</i> | Exploration and technical consulting services provided on an ad-hoc basis | 93,770 | - |
| <i>Investability Partners Pty Ltd / Neil Warburton</i> | Investor relation services on a retainer of \$5,000 (exc. GST) per month | 5,806 | - |
| <i>Raven Corporate Management Pty Ltd/ Neil Warburton</i> | Corporate advisory services | 59,000 | - |

Note 9. Events after the reporting period

As announced on 3 January 2023, the Company executed a Non-Binding Terms Sheet with Fomo Ventures No 1 Ltd ("FOMO") and its shareholder to acquire the TMT Project in Argentina. In addition, the Company issued Appendix 3B's giving notice of the proposed issue of the following securities should the transaction with FOMO be approved by BRX shareholders after due diligence:

- 2,500,000 ordinary fully paid BRX shares;
- 1,000,000 Listed Options (BRXO); and
- 10,500,000 Performance Shares subject to meeting conditions outlined in the FOMO Release

There were no other matters or circumstance which has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



**Belararox Limited
Directors' declaration
31 December 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Arvind Misra
Managing Director

15 March 2023
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Belararox Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Belararox Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

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Director

Perth

15 March 2023

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