



BELARAROX

Pre-Quotation Disclosure

Belararox Limited (ACN 649 500 907) (**Company**) provides the following confirmations to satisfy conditions for admission of the Company's securities to quotation on ASX.

Capitalised terms not defined have the meaning given to them in the Company's Prospectus, dated 1 November 2021 (**Prospectus**).

1. Confirmation of issue of securities under the Offer

The Company confirms the issue of:

- (i) 25,330,020 Shares at an issue price of \$0.20 each, pursuant to the Offer; and
- (ii) 4,250,000 Performance Rights to the directors (Neil Warburton, Arvind Misra, Michelle Stokes and Stephen Lowe) pursuant to the Incentive Plan.

2. Capital Structure

The Company's capital structure as at the date of admission to the Official List is as follows:

	Number of Securities
Shares on issue as at the date of the Prospectus	18,000,000
Shares issued under the Offer	25,330,020
Total Shares on issue	43,330,020
Performance Rights	4,250,000
Total Performance Rights on issue	4,250,000

3. Restricted Securities

The Company confirms that subject to quotation, the following securities will be restricted from trading pursuant to the ASX Listing Rules for the period as set out below:

Security	Number	Restriction Period
Fully paid ordinary shares	12,000,000	24 months from quotation
Fully paid ordinary shares	3,000,000	12 months from date of issue
Performance Rights	4,250,000	24 months from quotation

4. Completion under Sale and Purchase Agreement

The Company confirms all conditions precedent to the Tenement Sale and Purchase Agreement, dated 24 June 2021 between Kenex Pty Ltd (ACN 619 978 497) and Michlange Pty Ltd (ACN 009 140 998) (together the **Vendors**) and the Company (**Sale and Purchase Agreement**) have



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now been satisfied including, as noted above, the issue of 2,250,000 fully paid ordinary shares in the Company to the Vendors. As such, the Sale and Purchase Agreement has completed.

Further, the Company advises that the transfer of the tenements comprising the Bullabulling Project to the Company is complete.

5. Confirmation of issue of securities to Corporate Adviser

The Company confirms that 1,000,000 fully paid ordinary shares in the Company have been issued to Ventnor Capital Pty Ltd (ACN 111 543 741)

6. Confirmation of exploration activities to be conducted at the tenements

The Company confirm that, as at the date of this letter, there are no legal, regulatory, statutory or contractual impediments to the Company entering:

- (i) in respect of the Belara Project: EL9184, ELA6176, ELA6287; and
- (ii) in respect of the Coolgardie Project: P15/6427, P15/6474, P15/6481, P15/6483, P15/6560, P15/6561, P15/6562, P15/6564, P15/6475, P15/6476, P15/6477, P15/6478, P15/6479, P15/6480, P15/6482, P15/6484, P15/6485, P15/6486, P15/6487, P15/6488, P15/6489, P15/6490, P15/6491, P15/6492, P15/6559 and P15/6563

and carrying out exploration activities on the above tenements such that the Company will be able to spend its cash in accordance with its commitments for the purposes of ASX Listing Rule 1.3.2(b).

7. ASX confirmations and waivers

The Company has received the following confirmations and waivers from ASX:

- (i) confirmation that the terms of the Company's Performance Rights (as defined in the Prospectus) are appropriate and equitable for the purpose of ASX Listing Rule 6.1; and
- (ii) a waiver from ASX Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue 4,250,000 performance rights issued to directors with a nil exercise price issued under the Company's incentive plan.

The terms of the waiver are attached to this announcement.

8. Performance Rights

In compliance with the conditions of the ASX Waiver the Company attaches the full terms of the Performance Rights.

Signed for and on behalf of the Company

Neil Warburton
Non-Executive Chairman
Belarox Limited



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ASX CONFIRMATIONS AND WAIVERS

Belararox Limited (**Company**) has been granted the following confirmations and waivers from the ASX Listing Rules (**Listing Rules**) in connection with its application for admission to the official list of ASX.

Listing Rule 1.1 Condition 12

A waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue up to 4,250,000 performance rights to be held by the Directors with a nil exercise price issued under the Company's incentive plan, on the condition that the full terms and conditions of the Performance Rights are disclosed as part of pre quotation disclosure.

Listing Rule 6.1

The Company has also obtained a confirmation from ASX that the terms of the Performance Rights are appropriate and equitable to ASX for the purposes of Listing Rule 6.1. The confirmation was granted subject to the following conditions:

1. The Company discloses the following details in respect of the Performance Rights:
 - a. the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;
 - b. any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity;
 - c. In respect of those Performance Rights proposed to be issued to incentivise employees of the Company:
 - i. a statement that Performance Rights are being issued to remunerate or incentivise a director or employee and are not ordinary course of business remuneration securities;
 - ii. details of the role (if any) the director or employee will play in meeting the respective performance milestones;
 - iii. details of the existing total remuneration package of the director or employee;
 - iv. if the director or employee or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;
 - v. an explanation why it is considered necessary or appropriate to further remunerate or incentivise the director or employee to achieve the applicable performance milestone;
 - vi. details of how the Company determined the number of Performance Rights to be issued to the director or employee and why it considers that number to be appropriate and equitable;
 - d. The number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the Company's capital structure.
 - e. The full terms of the Performance Rights, including:
 - i. The Performance Rights are not quoted.



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- ii. The Performance Rights are not transferrable.
 - iii. The Performance Rights do not confer any right to vote, except as otherwise required by law.
 - iv. The Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
 - v. The Performance Rights do not carry an entitlement to a dividend.
 - vi. The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
 - vii. The Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.
 - viii. Each Performance Right is converted into one fully paid ordinary share on achievement of the relevant milestone.
 - ix. If the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.
2. The Company makes an announcement immediately upon satisfaction of any milestones, the issue of any of the Performance Rights and the expiry of the right to be issued any of the performances securities.
3. The terms and conditions of the Performance Rights, including without limitation the relevant milestones that have to be satisfied before each Performance Rights are issued, are not to be changed without the prior approval of ASX and the Company's shareholders.
4. Upon issue of the performance securities, the Company will apply to the ASX for quotation of the shares within the requisite time period.
5. The Company discloses the following in each annual report and annual audited financial accounts, half yearly report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:
 - a. The number of Performance Rights on issue during the relevant period;
 - b. A summary of the terms and conditions of the Performance Rights, including without limitation and the relevant milestones;
 - c. Whether any of the Performance Rights were issued or the right to such performance;
 - d. Securities cancelled during that period; and
 - e. Whether any milestones were met during the period.



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PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights that have been issued by the Company:

(a) **Milestones**

The Performance Rights will have the following milestones attached to them:

- a. Class A Performance Rights: Each Class A Performance Right is convertible into a Share if the volume weighted average price (VWAP) of the Company's Shares is at least \$0.35 over 20 consecutive trading days, within 36 months from the date of issue;
- b. Class B Performance Rights: Each Class B Performance Right is convertible into a Share if the VWAP of the Company's Shares is at least \$0.45 over 20 consecutive trading days, within 48 months from the date of issue,

(each a **Milestone**).

(b) **Vesting Deadline**

Each of the Performance Rights shall lapse on the following dates:

- (i) **Class A Performance Rights**: the date that is 36 months from the date of issue of the Performance Right;
- (ii) **Class B Performance Rights**: the date that is 48 months from the date of issue of the Performance Right; and

(each a **Vesting Deadline**).

If the relevant Milestone attached to a class of Performance Rights has not been achieved by the relevant Vesting Deadline, then the relevant Performance Rights will automatically lapse. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the relevant Vesting Deadline and the Shares the subject of a conversion are deferred in accordance with paragraph 1.1(n) below.

(c) **Notification to holder**

The Company shall notify the holder in writing if the Milestone has been satisfied.

(d) **Conversion**

Subject to paragraph (m), upon vesting and achievement of the relevant Milestone, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the capital of the Company (**Share**). The holder must comply with the terms of the Company's Long Terms Incentive Plan with respect to the Exercise of the Performance Rights.

(e) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.



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(f) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(g) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(h) **Expiry Date**

Each Performance Right shall otherwise expire five (5) years from the date of issue (**Expiry Date**). If the relevant Milestone attached to the Performance Right has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.

(i) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Change in control**

Subject to paragraph 1.1(n), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,



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that number of Performance Rights that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holders on the same terms and conditions.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (d) or (m) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph 1.1(n)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(o) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(p) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(q) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.