



ASX ANNOUNCEMENT

Date: 03 Jan 2023

Belararox secures rights to acquire Project in Argentina.

Highlights

- Belararox has signed a non-binding terms sheet with Fomo Ventures No1 Pty Ltd (FOMO or Vendors) to acquire the Toro – Malambo – Tambo (TMT) Project in Argentina, an extensive 32,000 hectares project with potential large scale Base Metal mineralisation and untested porphyry targets.
- The TMT project is located in the Valle del Cura region within the San Juan province, in an underexplored gap between two world-class metallogenic belts, the El Indio and Maricunga belts in the Central Andes.
- The San Juan province in Argentina, one of the most attractive mining jurisdictions of Latin America hosts several renowned high-profile advanced copper-gold porphyry projects including Filo del Sol (Lundin), Josemaria (Lundin), Altar (Aldebaran Resources), Los Azules (McEwen Mining) and El Pachon (Glencore) as well as the high-sulphidation gold-silver deposits Veladero and Pascua Llama (Barrick-Shandong).
- As part of the transaction, Condor Prospecting Pty Ltd, an experienced exploration team based in Argentina, owned by the Vendors and closely associated with prominent exploration geologist **Jason Ward**, will be responsible for execution of the exploration programmes of the TMT Project.
- Desktop studies and project planning is underway to validate the information from previous reports, confirm potential reported zinc mineralisation and review the porphyry targets.
- The proposed strategic acquisition will complement Belararox's existing portfolio of Australian zinc-copper projects while providing a strong value proposition for shareholder value.

The Board of Directors of Belararox is pleased to announce the potential acquisition (Acquisition) of the Toro – Malambo – Tambo (TMT) Project (subject to final due diligence) in the mining friendly province of San Juan in Argentina. Fomo's TMT project is an expansive land package of over 32,000 hectares in Argentina's San Juan Province. San Juan is one of Argentina's most promising provinces and hosts several high-profile advanced projects including Filo del Sol, Josemaria, Altar, Los Azules and El Pachon and the giant, high sulfidation gold and silver deposits Veladero and Pascua Llama (Figure 2).

Jason Ward CEO of FOMO commented: "The TMT Project comprises a number of prospects. There is strong epithermal mineralization previously reported at Toro and several targets at Malambo and Tambo which have seen no modern systematic exploration. BRX are committed to conduct the exploration this project requires, and I believe we have a very good chance of making an economic discovery".

Belararox MD Arvind Misra commented: “We are very enthusiastic about this Acquisition. The project is located in the mining friendly Province of San Juan in Argentina which has recently been rated by the Fraser Institute as the Number 1 Mining destination in Latin America. I believe this Acquisition both fits within our existing battery mineral strategy and will help bring our company to the next level”.

Terms Sheet

A summary of the key provisions of the Non Binding Terms Sheet (NBTS) is as follows:

- i. Acquisition of FOMO** under the NBTS, BRX has agreed to purchase from Octo Opportunities Pty Ltd and BL Family Nominees Pty Ltd (**Vendors**) all of the issued shares in Fomo Ventures No 1 Pty Ltd (ACN 656 139 758) (FOMO).

FOMO is an Australian company which, through its wholly owned Argentinian registered subsidiary company, GWK Minerals SA, holds all of the rights to 14 Tenements located in the Argentinian Province of San Juan (the Tenements) acquired under two option agreements detailed below together with related payment obligations (**Option Agreements**).

- ii. Deposit**

BRX to pay a deposit of US\$100,000 to the Vendors as follows:

- a. A non- refundable deposit of US\$25,000 within seven (7) days of the Execution Date of the Terms Sheet (Exclusivity Fee); and
- b. US\$75,000 within seven (7) days of the execution of the Share Purchase Agreement.

- iii. Consideration**

In consideration for the Acquisition, BRX will at settlement issue to the Vendors -

- a. 2,500,000 fully paid ordinary shares in the capital of BRX (Consideration Shares), subject to a 12-month voluntary escrow period applicable from the date of issue of the Consideration Shares;
- b. 1,000,000 options (ASX: BRXO) with an exercise price of \$0.95 and expiring on 6 June 2024 (Consideration Options),
- c. 10,500,000 Performance Shares (Performance Shares) as follows:
 - i. 2,500,000 Stage 1 Performance Shares upon achieving a drilling intersection of at least 30m @ 1.0% ZnEq.;
 - ii. 4,000,000 Stage 2 Performance Shares upon achieving a JORC compliant Inferred Resource of at least 25Mt > 1% ZnEq @0.80% ZnEq Cut off.
 - iii. 4,000,000 Stage 3 Performance Shares upon achieving a JORC compliant Inferred Resource of at least 50Mt > 0.5% CuAuEq @0.30% CuAuEq Cut off.

In addition, BRX will grant to the Vendors, or their respective nominees, a 1.0% net smelter royalty (NSR) in respect of each of the Tenements together with an option for BRX to buy back 50% of the NSR for US\$2,000,000 and to buy back the remaining 50% of the NSR for a further payment of US\$5,000,000 (Royalty Consideration),

- iv. Minimum Expenditure**

BRX will procure that FOMO/GWK Minerals SA incurs exploration expenditure on the Tenements of at least AUD\$1,000,000 in aggregate in each of the 3 years after the date of Settlement.

v. Conditions Precedent

The Terms Sheet is subject to several conditions' precedent including –

- a. If required, securing shareholder and regulatory approvals including ASX approval of the terms of the Performance Shares to be issued to the Vendors.
- b. Completion of technical, financial, corporate and legal due diligence to the satisfaction of BRX, including confirmation of the transfer of title to the Tenements and good standing of the Tenements;
- c. Completion of a site visit by the BRX technical team;
- d. Execution of suitable management agreements with the management team of the Vendors to enable management of the exploration of the Tenements and to provide marketing support to BRX.
- e. Negotiation and execution of a binding agreement reflecting the terms of the NBTS together with the Royalty Agreement;
- f. Variations to certain payment provisions under the Option Agreements

vi. End Date

The end date for the Acquisition is 5:00pm (WST) on 28 February 2023, or such other date as agreed in writing between the Parties (**End Date**).

vii. Option Agreements – Payment Obligations

- a. Obligations under the Option Agreements entered into between FOMO and Minera Agaucu S.A., Mario Roberto Chabert and Raul Ernestco Concina, dated 30 April 2022 (Option Agreement 1); and between FOMO and Hugo Bosque and Carolina Manini, dated 30 June 2022 (Option Agreement 2) are detailed below (Figure 1).

Option No. 1.	\$US	
Option Fee	USD 75,000	Status – Paid by Fomo Ventures No.1
First Anniversary Payment	USD 150,000	Due one year from signing option – 30/04/2023
Second Anniversary Payment	USD 150,000	Due two year from signing option - 30/04/2024
Third Anniversary Payment	USD 200,000	Due three year from signing option - 30/04/2025
Fourth Anniversary Payment	USD 1,000,000	Due four year from signing option - 30/04/2026

Option No. 2.	\$US	
Option Fee	USD 75,000	Status – Paid by Fomo Ventures No.1
First Anniversary Payment	USD 150,000	Due one year from signing option – 30/06/2023
Second Anniversary Payment	USD 150,000	Due two year from signing option - 30/06/2024
Third Anniversary Payment	USD 200,000	Due three year from signing option - 30/06/2025
Fourth Anniversary Payment	USD 1,000,000	Due four year from signing option - 30/06/2026

The Company intends to fund the above option payments due on 30 April 2023 and 30 June 2023 from existing cash resources. The Company expects that additional funds will be required to be raised to satisfy future option payments. It is likely that the capital raising will be made to professional and sophisticated investors including current shareholders via a placement although the Company will also consider the participation of all shareholders via an entitlement offer of share purchase plan or a combination of these alternatives. The issue price of securities to be issued will be subject to market conditions at the time of any raising. Given the Company will fund the first of the option payments from its existing resources the timing of any raising to fund subsequent option payments will depend on market conditions leading up to the date these payments become due and payable. It is expected that any capital raising will be via issue of shares however, attaching options may also be considered. At this stage the Company does not anticipate that any future capital raising will be underwritten. The Company does not presently have sufficient placement capacity under LR 7.1 / 7.1A to fund all the future option payments via a capital raising at the current share price. At the time of any capital raising required to fund the future option payments the Company will seek shareholder approval if it does not have sufficient placement capacity under the Listing Rules.



Location photo of existing exploration camp

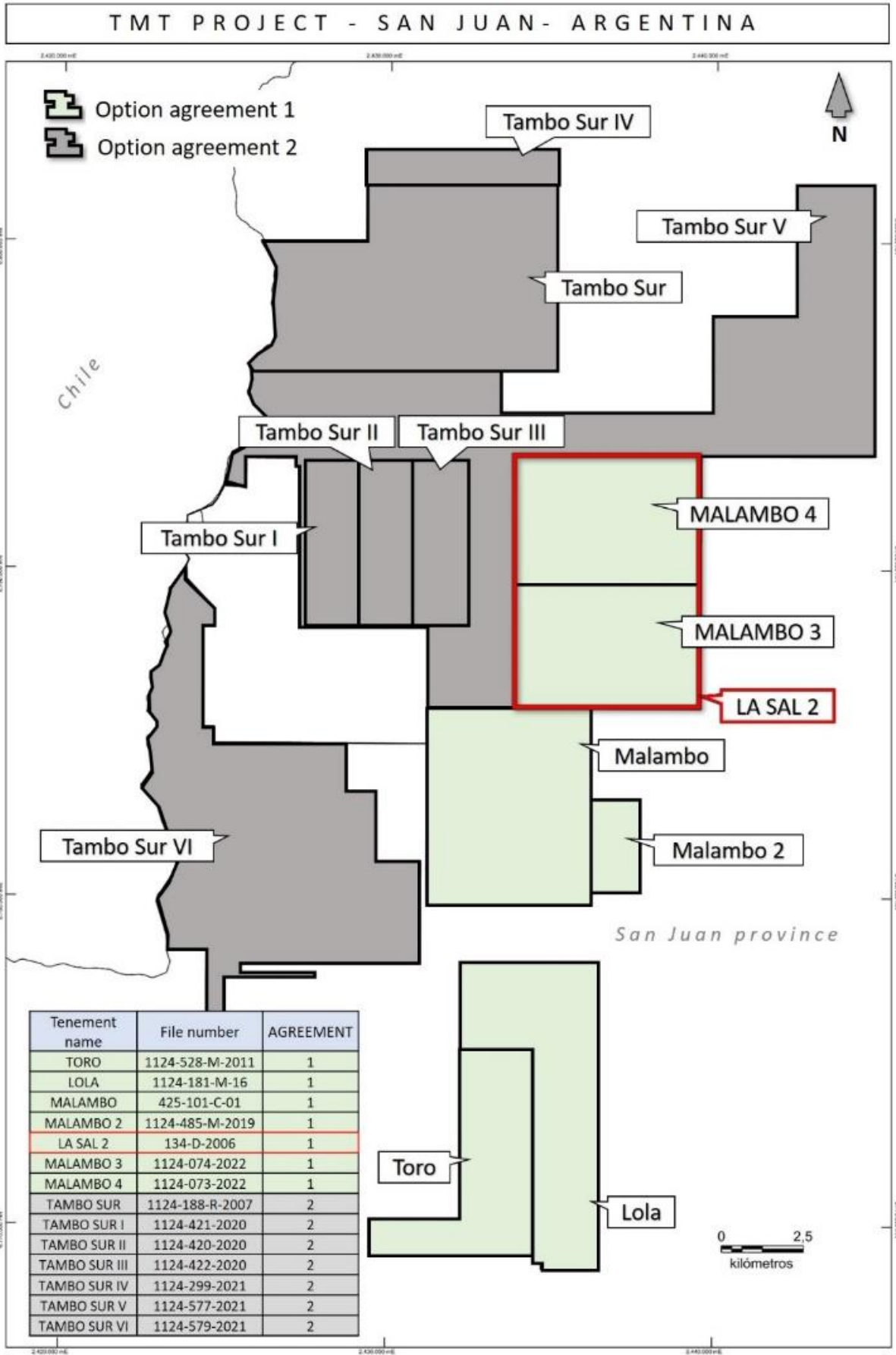


Figure 1. TMT project area in the San Juan Province of Argentina outlining tenements under option agreement 1 and option agreement 2

Jason Ward and Condor Prospecting

As part of the transaction Condor Prospecting Pty Ltd will be responsible for management and execution of the exploration activities of the TMT Project. Condor Prospecting is associated with prominent exploration geologist, Jason Ward, who is based in Mendoza, Argentina and employs several local exploration management staff. Jason Ward holds a Bachelor of Applied Science, Geology and is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr. Ward has had a highly successful global career as an exploration geologist; having been involved in several discoveries in Oman, Laos, Papua New Guinea and Ecuador. He has over 25 years' experience working around the world; most recently in Ecuador where he was instrumental in the discovery of several copper gold deposits, including the Tier-1 Cascabel copper gold porphyry deposit for SolGold plc.

Jason has an extensive track record of successfully working with local communities and safely managing exploration teams, working with people from diverse cultures in challenging social and physical terrains.

TMT Project Location and Prospectivity

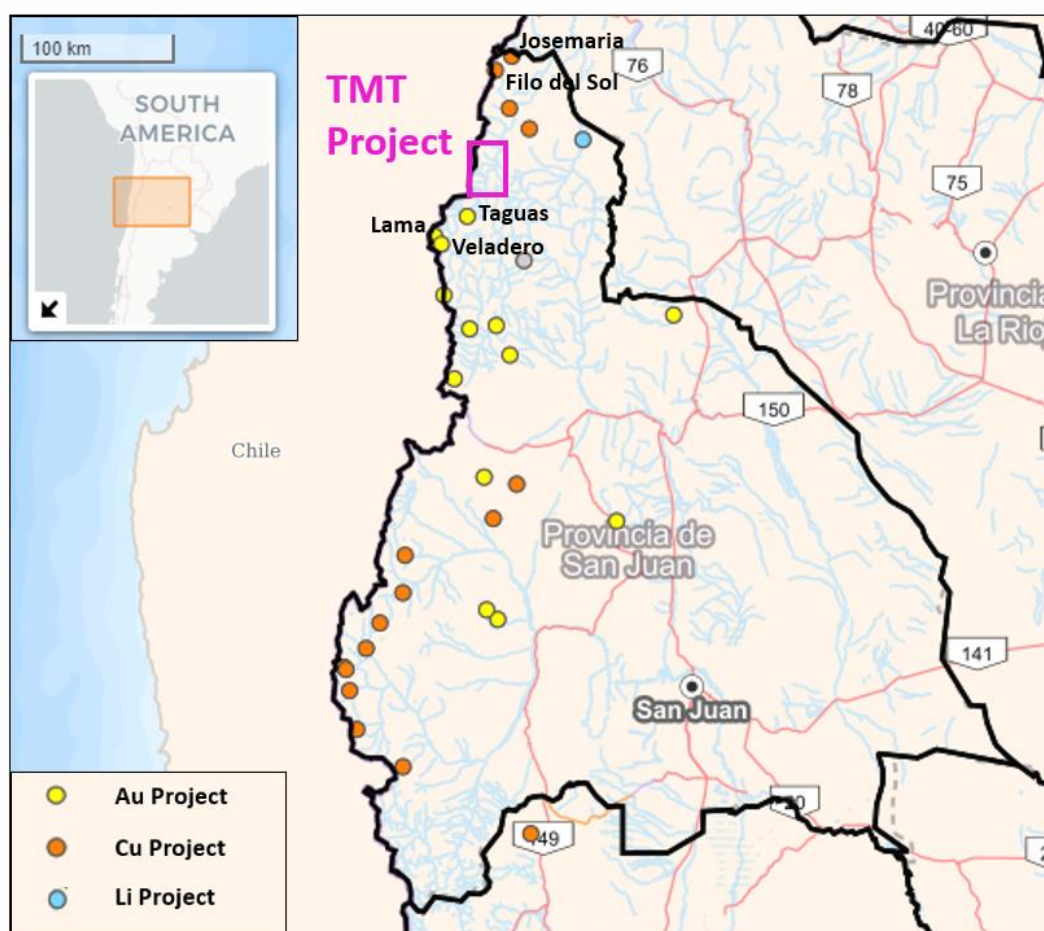


Figure 2. TMT project area in the San Juan Province of Argentina, in close proximity to world class projects such as Filo del Sol, Josemaria, Pascua Lama and Veladero. Source: Modified from the Argentinian Geological and Mining Survey (SEGEMAR).

The Andean copper belt is host to over 40% of the worlds copper production.

The TMT project covers over 32,000 hectares of terrain in an underexplored gap between two metallogenic belts, the El Indio and Maricunga belts in the Central Andes. These world-class metallogenic belts are rich in precious and base metals and both the Chilean and Argentinean side of the border host large mines and are being actively explored by the world's largest mining companies. The project area is less than 10km north-east of Taguas and 50km south of Filo del Sol (Figure 3).

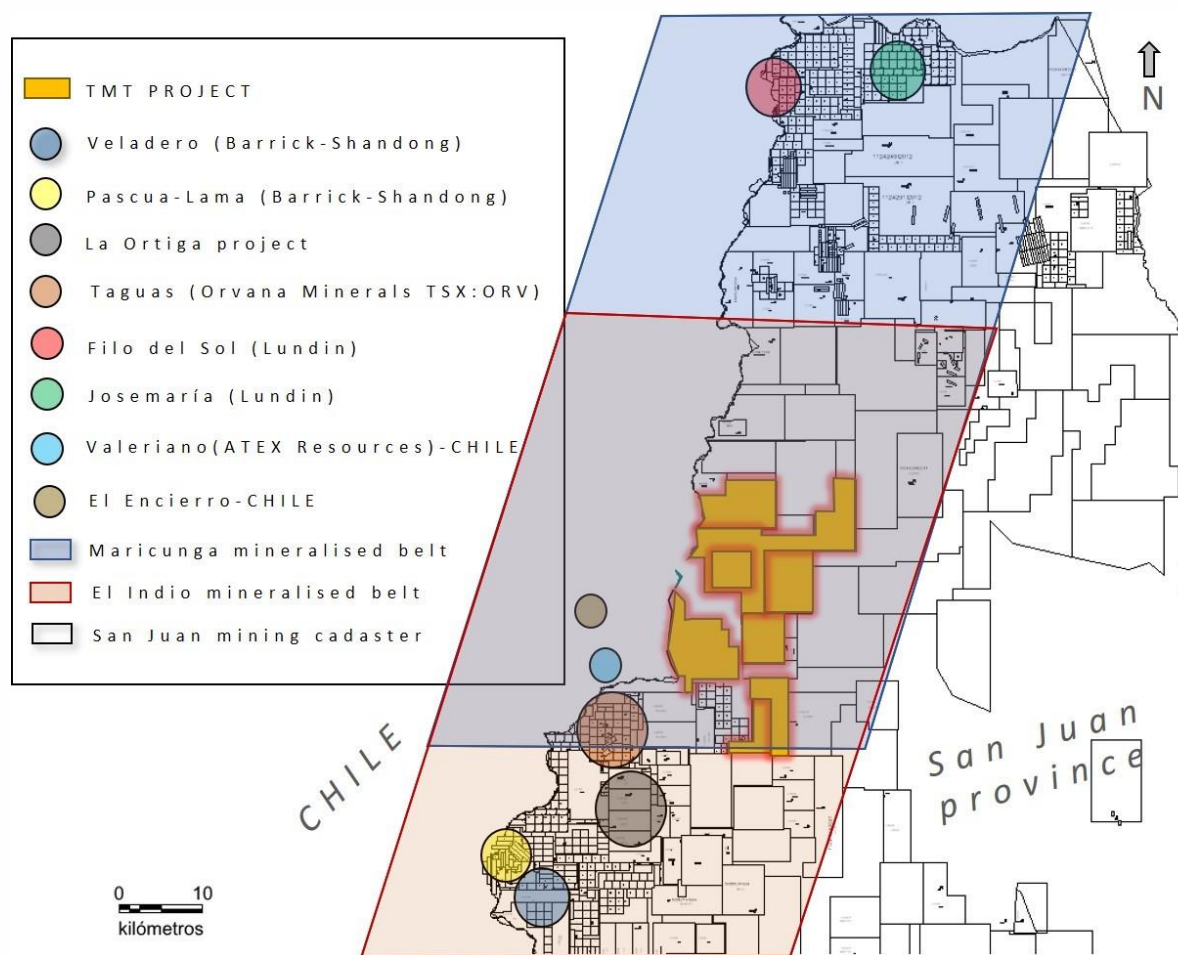


Figure 3. TMT project area in relation to major exploration projects in the Maricunga and El Indio mineralised belts.
Source: Internal Fomo presentation.

The Province of San Juan has recently been rated by the Fraser Institute as the Number 1 Mining destination in Latin America (refer to <https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2021.pdf>)

Previous exploration companies have identified a Zn-Pb mineralised zone, with homogeneous high zinc grades in an extensive vein system and related stockworks associated with igneous units. This zinc mineralisation is spatially linked to a geophysical IP anomaly possibly related to a deeper porphyry system. High grade gold and copper values in rock chip samples and breccias with high gold values were also reported.

Belararox is currently assessing the historical data for the whole project with an experienced Australian team and a local team based in Mendoza (Condor Prospecting Pty Ltd). Desktop studies are underway to validate the information from previous reports, confirm the zinc mineralisation and review the porphyry targets.

Whilst containing confirmed zinc mineralisation, the project area is also prospective for porphyry and epithermal deposits. Some of the untested targets in the TMT project, are located in areas that belonged to Rio Tinto during the 1990's and have remained unexplored. Not only do they show a conspicuous colour anomaly in satellite images, very similar to the colour anomalies observed in other renown projects located close by (Figures 4 and 5), but more importantly, they also show a very similar hydrothermal alteration in multiband processed images to the Filo del Sol deposit and other deposits of the area.

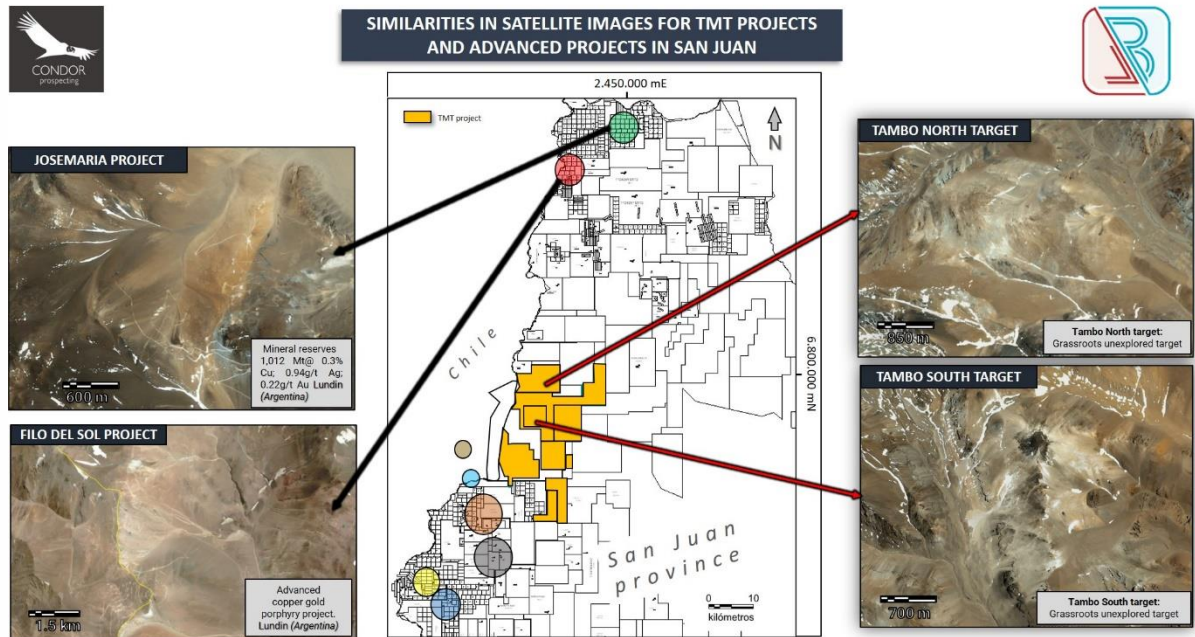


Figure 4. Figure showing the similarities between the color anomalies observed in satellite images when comparing TMT targets and Filo del Sol or Josemaria projects (Lundin).

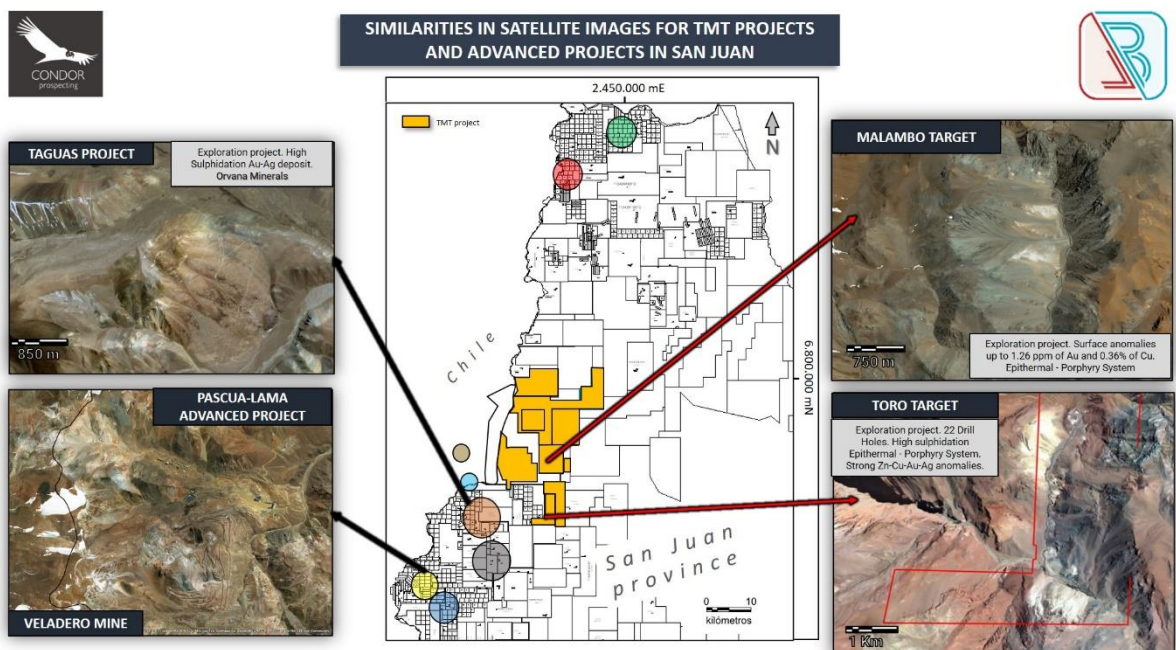


Figure 5. Figure showing the similarities between the color anomalies observed in satellite images when comparing TMT targets to Taguas (Orvana Minerals) and Pascua Lama-Veladero (Barrick-Shandong) projects.

Figure 6 shows the striking similarities existing when comparing the hydrothermal alteration observed in processed multiband satellite images between Tambo South target in TMT project and Filo del Sol project.

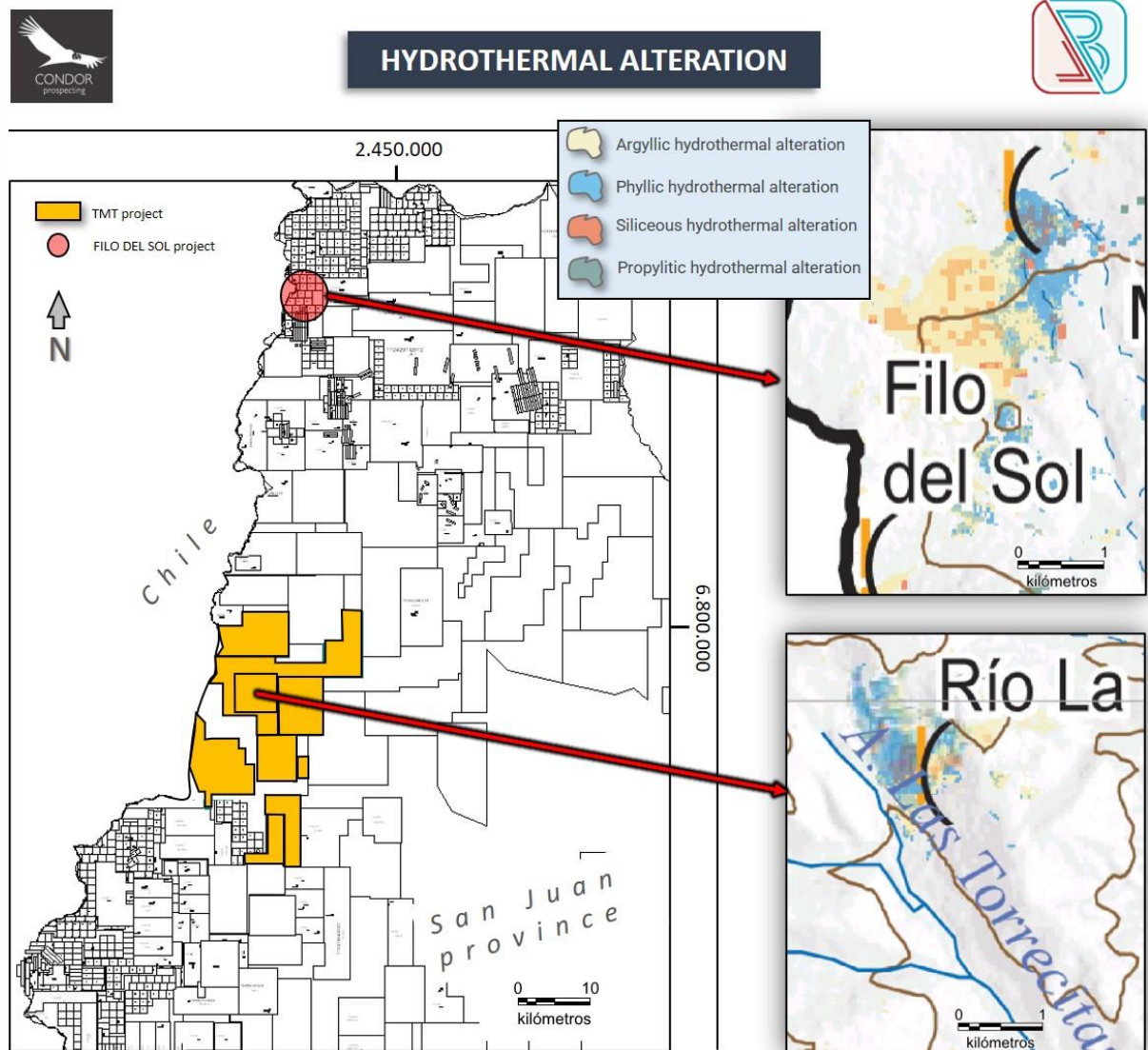


Figure 6. Figure showing the similarities in the hydrothermal alteration observed in multiband satellite images between Tambo South target in TMT project and Filo del Sol project.

In 2017, the Argentinian Geological and Mining Survey (SEGEMAR) has defined areas with the potential to host gold, silver, copper, molybdenum, and base metals (lead and zinc) mineralisation in the Andean range. SEGEMAR performed a mineral potential mapping exercise integrating geological, geophysical, structural, multiband satellite imagery (ASTER and LANDSAT) and metallic domain data to define areas of high mineralisation potential.

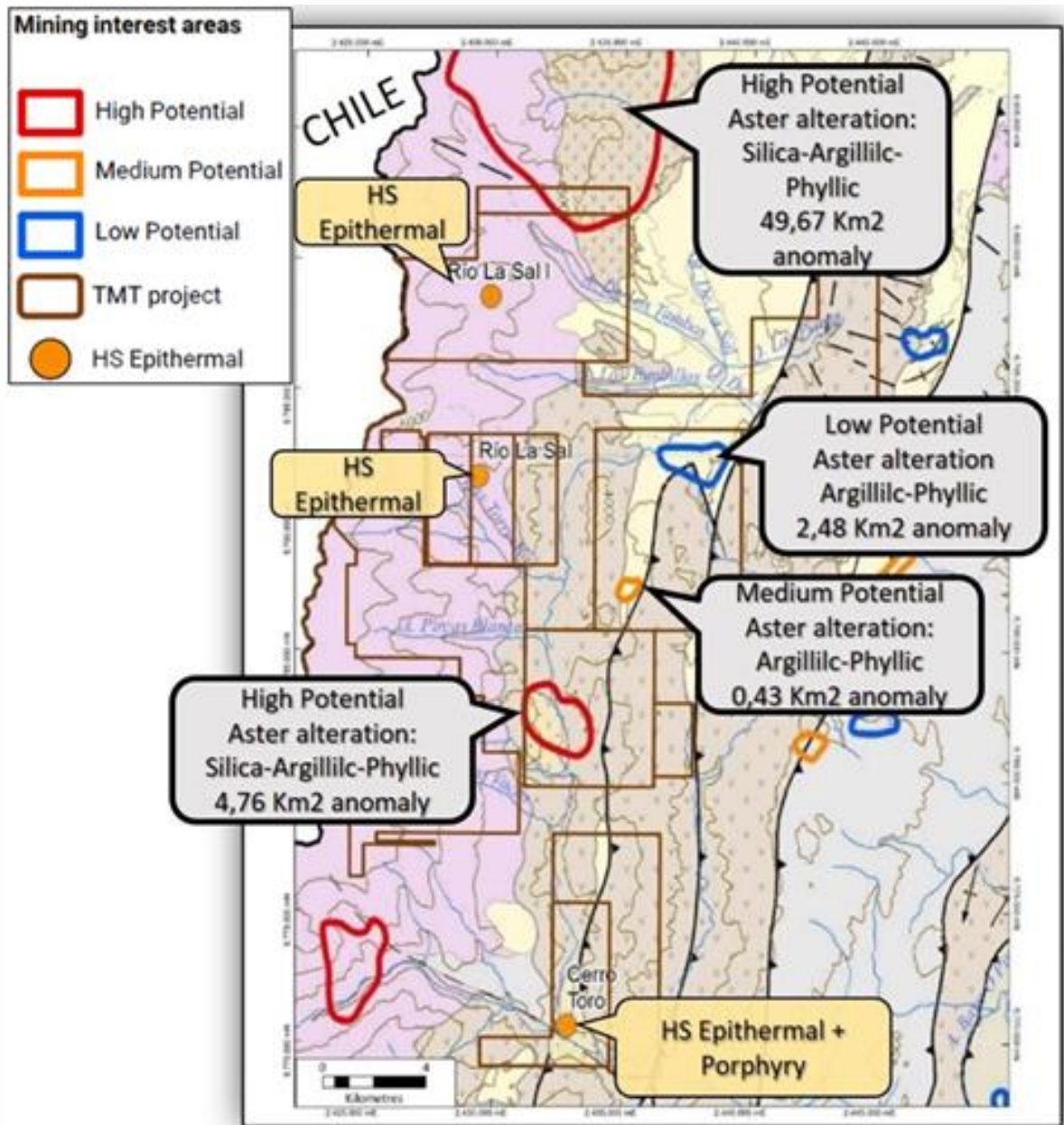


Figure 7. TMT project area in relation to target areas identified from SEGEMAR, integrating geological, geophysical, structural, multiband satellite imagery (ASTER and LANDSAT) and metallic domain data. Source: Modified from the Argentinian Geological and Mining Survey (SEGEMAR).



Location photos showing typical terrain and vehicle access

SHAREHOLDER ENQUIRIES	MEDIA ENQUIRIES	GENERAL ENQUIRIES
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Competent Person Statement

The information in this announcement that relates to the estimation and reporting of the Significant 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.

About Belararox Limited (ASX: BRX)

Belararox is a mineral explorer focused on securing and developing resources to meet the surge in demand from the technology, battery and renewable energy markets. Our projects currently include the potential for zinc, copper, gold, silver, nickel and lead resources.

Existing Projects

Belararox has a 100% interest in the 643 sq.km **Belara Project** located in the Lachlan Fold Belt of New South Wales, where a maiden Inferred Resource of **5.0Mt at a 3.41% ZnEq**, including: 1.82% zinc; 0.33% Copper; 0.63% Lead; 17.5 g/t Silver and 0.21g/t Gold is reported for 2022 (refer to ASX announcement of 3 November 2022). The Project includes the historic Belara and Native Bee mines that have been drilled to a depth of around 400 vertical metres and have massive sulphide mineralisation showing excellent continuity and containing significant intersections of zinc, copper, silver, lead and gold. Mineralisation is open along strike and at depth for both Belara and Native Bee with good potential for additional resources to be identified in the next phase of exploration.

Belararox also has a 100% interest in the 49 sq.km **Bullabulling Project** located in the proven gold producing Bullabulling goldfield near Coolgardie, Western Australia. The Bullabulling Project surrounds the 3Moz Bullabulling Gold Project and is along strike of the Nepean Nickel mine with 3D geology and prospectively mapping already completed and drill targets generated.

Forward Looking Statements

This report contains forward looking statements concerning the projects owned by Belararox Limited. Statements concerning mining reserves and resources and exploration interpretations may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events, and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.