BELARAROX

Exploration Targeting
Renewables and
Battery Minerals

ASX | BRX

Quarterly Activity Report

Period Ending December 2022

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ASX ANNOUNCEMENT

27 January 2023

Quarterly Activities Report

For the Period Ended December 2022

Operational Highlights

Belara Project (NSW)

- Downhole electromagnetic data confirmed the extension of mineralisation in and around Native Bee with localised zones of high conductance.
- 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.
- A maiden Mineral Resource Estimate (MRE) was completed for Belara and Native Bee prospects 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.

TMT Project (Argentina)

- Subsequent to the end of the December 2022 quarter, 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.

Corporate Highlights

- The Company had **$3.235 million** cash at bank as at 31 December 2022.
- BRX raised **$3.85 million (before costs)** in a placement completed in early October 2022, which saw the Company issue 7,000,000 new BRX Ordinary Shares, at an issue price of $0.55 per share. This new equity is to fund a range of exploration activities, including a Phase 2 drilling program at the NSW-based Belara Project.

Belararox Ltd (ASX: BRX) (**Belararox** or the **Company**), an advanced mineral explorer focused on high value clean energy metals, is pleased to report on its quarterly activities for the period ending 31 December 2022. During the quarter, the Company delivered a Mineral Resource estimate (MRE) at the Belara Project, further progressed its exploration programme and successfully completed a $3.85 million capital raising.

Overview of Activities for December 2022 Quarter

Belararox Limited Managing Director, Arvind Misra commented:

"We were thrilled to deliver the promised Maiden Resource for the Belara/Native Bee Project in the December 2022 quarter. At the same time, our team also got cracking with the next stages of the Belara Project's exploration programme. These included metallurgical test results and EM data analysis that further enhanced the prospectivity of this NSW-based project. We additionally completed much of the prep work for the soon-to-get-underway extensive phase 2 drilling campaign at Belara-Native Bee. Importantly, the successful capital raising undertaken in the quarter leaves the Company in a strong cash position to progress our exploration strategy.

More recently, we unveiled plans to diversify our asset portfolio, announcing a proposal to acquire an exciting Argentina-based Zinc/Copper project acquisition. This potential transaction demonstrates our commitment to growing the Company via value-enhancing transactions that are the right strategic fit.

Looking ahead, we expect to soon start providing investors with regular updates on results coming out of the pending Phase 2 drill programme at Belara and other exploration activities.

Projects and Assets

Belararox has a 100% interest in the 643 sq.km Belara Project located in the Lachlan Fold Belt of New South Wales, where drilling to date has already delivered a JORC compliant Mineral Resource Estimate in H2 CY22 (refer to ASX announcement, dated 3 November 2022). The Project includes the historic Belara and Native Bee mines that have been drilled to a depth of around 400m and 150m vertical metres respectively and have massive sulphide mineralisation showing excellent continuity and containing significant intersections of zinc, copper, lead, silver, and gold.

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 underway to generate drill targets.

Belara Project

Electromagnetic Surveys Confirm Extension of Mineralisation at Native

The primary purpose of the FLEM and DHEM surveys was to test for extensions to known mineralisation within the broader Belara and Native Bee project. The FLEM survey area, highlighted in Figure 1, comprised three loops:

- Known and down-dip mineralisation at Belara (Loop 1)
- Mineralisation along strike, and down-dip, of Native Bee (Loop 4a)
- Further south of the historical mining area at Native Bee, testing along strike extensions (Loop 5).

Line spacing for the FLEM was 150m and the station spacing along line was 50m. The DHEM used the same loops with downhole surveys completed on selected drill holes to assist in conductance plate modelling with the FLEM data. Details of drill holes included as part of the DHEM work are provided in the accompanying Table 1.

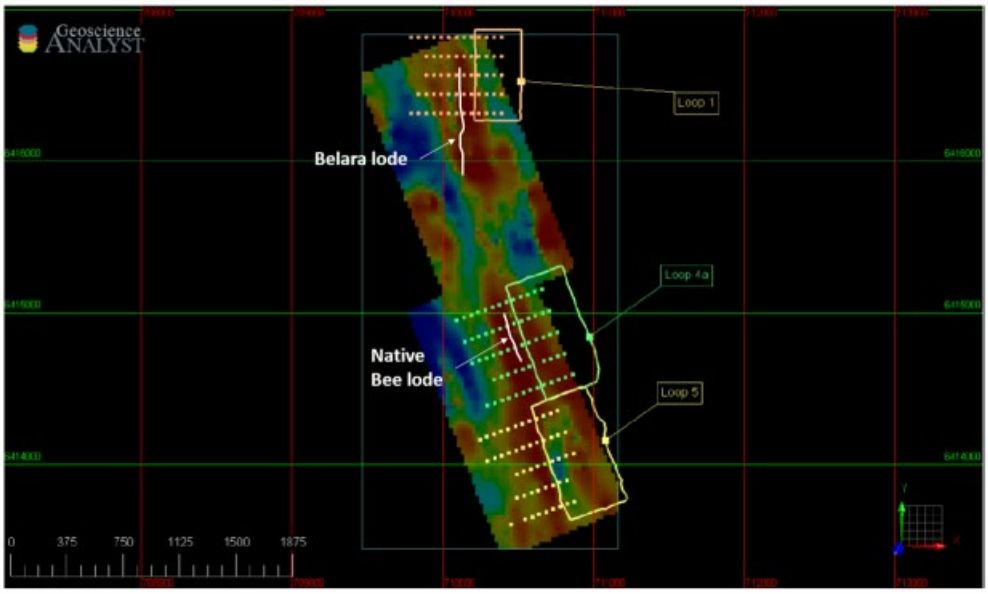

Figure 1. FLEM loop and stations at Belara and Native Bee. The background image is the gradient array chargeability response (refer to ASX announcement dated 23 March 2022). White polygons are the outline of the known mineralisation at 25m below surface

Hole ID	X	Y	Z	Azimuth (at collar)	Dip (at collar)	Total depth (m)	Loop no.	Base frequency (Hz)	Comment
BLRC019D	710303	6416431	460	240	-58.6	186.0	Loop 1	6.25	Diamond tail could not be logged
BLRC020D	710292	6416483	461	251.2	-54.5	150.0	Loop 1	6.25	Diamond tail could not be logged
B030	710347	6416367	456	247.4	-72.3	312.4	Loop 1	6.25	Only 10 m – 195 m could be logged
NBRC001	710538	6414746	556	243.1	-60.1	115.0	Loop 4a	2.50	10 m – 115 m logged
NBRC002	710563	6414803	562	235	-67.2	184.0	Loop 4a	2.50	10 m – 184 m logged

Table 1. DHEM surveys for Belara and Native Bee

The significance of the Loop 1, Loop 4a and Loop 5 results is outlined below.

Results from the Loop 1 FLEM modelled plate lies within the known zone of mineralisation. However, significantly higher conductance of this plate suggests either a local zone of more conductive sulphide (other than sphalerite, being less conductive), increased thickness of mineralisation or both.

Results from Loop 1 DHEM anomalies in drill holes BLRC019D, BLRC020D and B030 are also incomplete, as the deepest parts of the holes, closest to the mineralisation, could not be surveyed.

However, all three of the abovementioned drillholes typically show the responses increasing towards the bottom of the holes, indicating conductors beyond the end of the holes and there is sufficient data in all three holes to enable conductivity plate modelling.

For Loop 1, a good fit to the observed data was achieved by constraining the dip and dip direction of the conductor to be those of the known mineralisation, with the resulting modelled mineralised plates showing quite good consistency with the known mineralisation, and with the anomaly observed in the FLEM data from Loop 1 (shown in Figure 2).

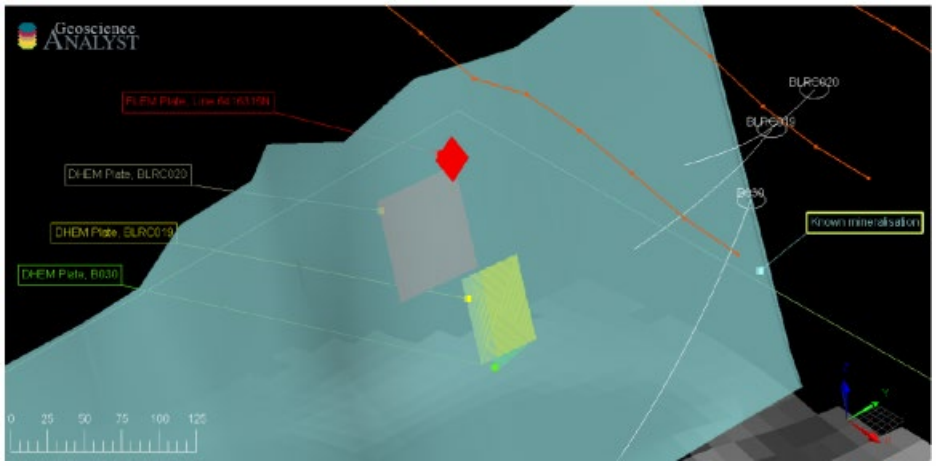

Figure 2. 3D view of Belara, looking to the northwest, showing the modelled FLEM and DHEM plates

At Native Bee, the Loop 4a FLEM response aligns with a steeply dipping tabular body consistent with drill hole intersections. Drill holes NBRC001 and NBRC002 also show clear off-hole DHEM anomalies, which have been modelled with small, high-conductance plates. These plates are consistent with the position and attitude of the known mineralisation at Native Bee (see Figure 1 above and Figure 3 below)

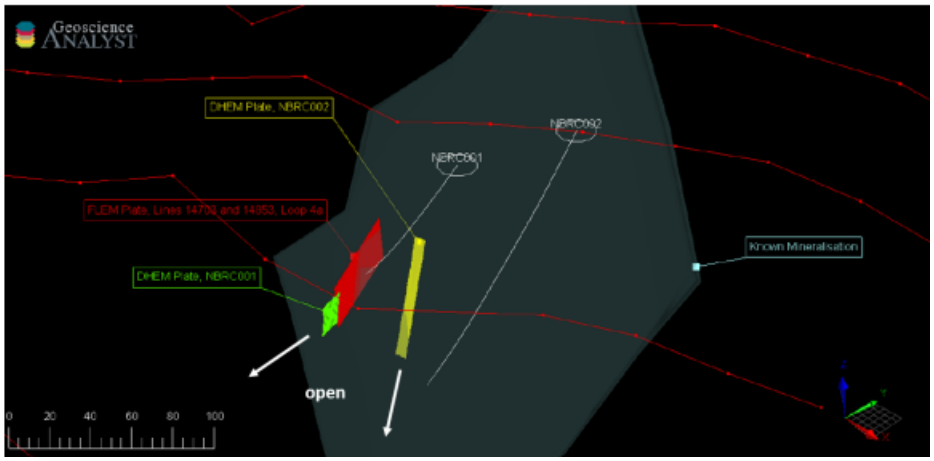

Figure 3. 3D view of Native Bee, looking to the northwest, showing the modelled FLEM and DHEM plates

Furthermore, the Loop 5 FLEM survey confirms that the mineralisation at Native Bee is open along strike to the south and down dip, consistent with a ground array induced polarisation (GAIP) chargeability anomaly that extends around one kilometre to the south of the mineralisation, suggesting a potential extension of the mineralisation in this direction. Additional chargeability anomalies are also present immediately to the east, and to the northeast of Native Bee (see Figure 4 and also refer to ASX announcement dated 23 March 2022).

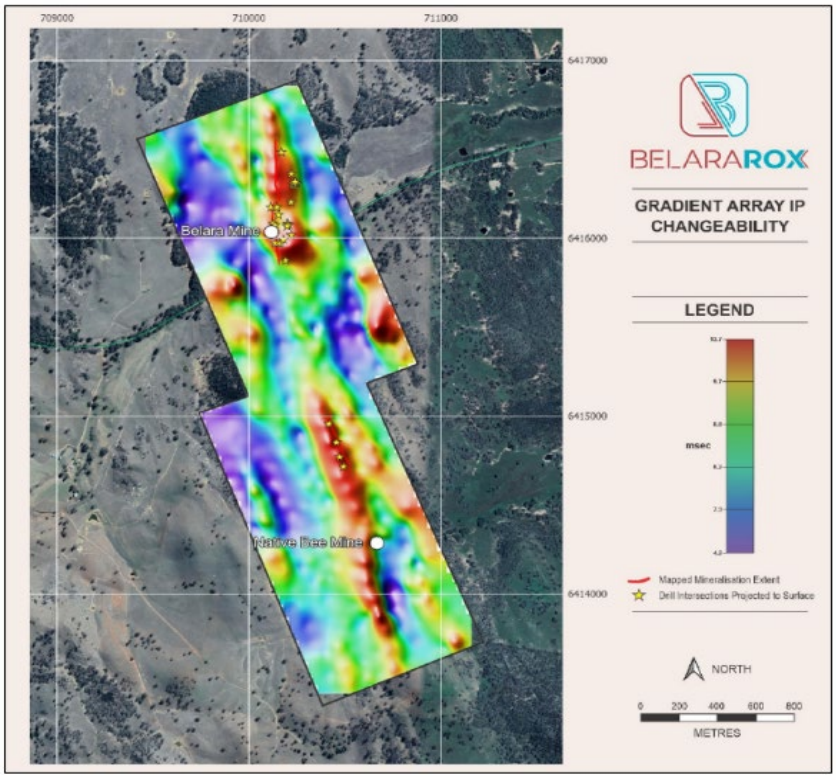

Figure 4. Gradient array IP chargeability data mapped in comparison to the extent of the known massive sulphide mineralisation and historic drill intersections (refer to ASX announcement dated 23 March 2022). The chargeability high values mapped in red correspond to the known massive sulphides and extend along strike from both mines

Belara metallurgical test work produces high grade concentrates

Diamond drill core intervals, representative of a lower grade mill feed from early drill testing on the Belara project, were composited to form a single 23kg Master Composite, then were subjected to metallurgical characterisation and flotation testwork.

This composite was obtained from early drill holes BLDD001 and BLDD002a drilled as part of the Phase 1 drilling program for Belara. These drill holes are considered to represent typical polymetallic stratiform sulphide mineralisation for Belara, albeit at lower grades compared to later drilling on the project. Subsequent drilling has identified higher grades e.g. BLDD028 - 3.0m at 11.17% Zn, 1.69% Cu, 2.25% Pb, 88.13g/t Ag, and 1.68 g/t Au (refer to ASX announcement dated 21 September 2022).

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.

A total of eight Cu-Pb-Zn sequential flotation tests have been conducted to date with the flowsheet reflecting the historic Woodlawn polymetallic operation, noting geological and mineralogical similarities of the two projects. Flotation feed grind size and reagent regimes were assessed in open circuit tests in lieu of future locked cycle test work. Test 8 (AM141-8) flowsheet is presented in

Figure 5 with the Belara Low Grade Master Composite feed grade, concentrate grades and recoveries in Table 2 with comparison to Woodlawn historical performance (refer DVP ASX announcement dated 6 September 2022). A flotation feed size of P80 53 micron was required followed by regrinding each of the rougher concentrates to sub P80 20 micron to achieve sufficient mineral liberation prior to two stage cleaning.

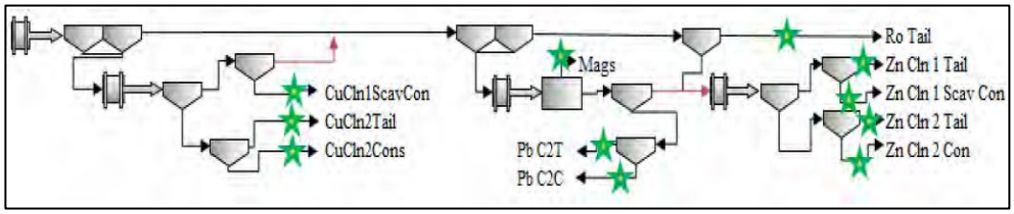

Figure 5. AM141-8 Testwork Flowsheet

Site	Parameter	Cu	Pb	Zn	Ag	Au
		%	%	%	g/t	g/t
Belara	Master Comp Grade	0.26	0.8	1.45	21	0.28
	Con Grade	20	30	50	1015	-
	Recovery (%)	75	54	59	25	-
Woodlawn	Feed Grade	1.8	2.0	5.7	45	0.6
	Historic Performance					
	Con Grade	21	36	50	NP	NP
	Recovery (%)	68	51	73	24	59
	2022 DEV Study*					
	Con Grade	21	35	50	NP	NP
	Recovery (%)	65-75	50-60	70-80	20-30	50-60

Table 2. Saleable concentrate grades on Low-Grade Belara composite compared to Woodlawn

Notes:
BLDD001 (129-132m, 135-136m), BLDD002a (167-170m, 175-182m) used in the testwork
Recovery of metal to payable product streams
AM141-7 grades and recoveries determined via pXRF. To be confirmed with assays
ASX:DVP Announcement 6th September 2022

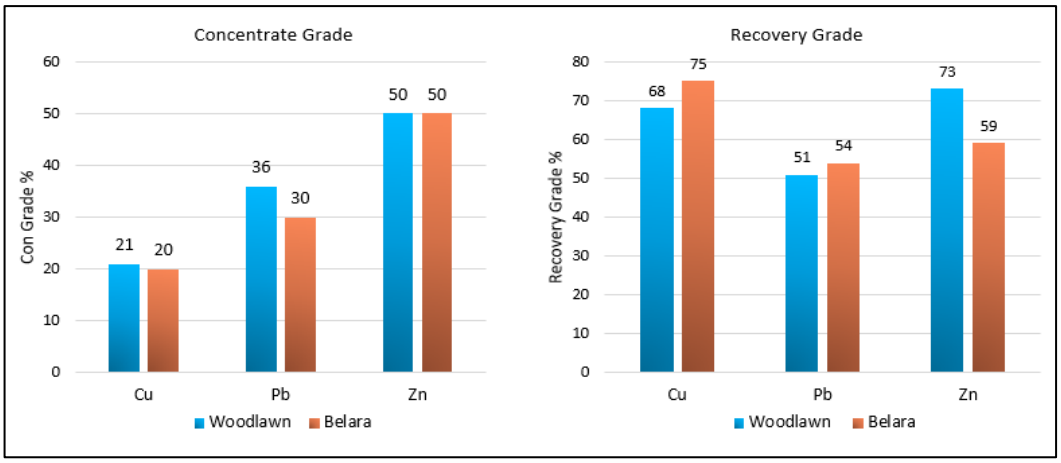

Figure 6. Comparison of concentrate grades and recoveries between Belara and Woodlawn

Saleable concentrate grades were achieved on this low-grade composite at comparable recoveries to Woodlawn. Photos of copper, lead and zinc cleaner concentrate are presented in Figures 7, 8 and 9 below.

Figure 7. Copper Cleaner 2 Concentrates (AM141-7)

Figure 8. Lead Cleaner 2 Concentrates (AM141-7)

Figure 9. Zinc Cleaner 2 Concentrates (AM141-7)

Significant Maiden Resource Estimate Delivered for Belara and Native Bee

Mineralisation Modelling and Estimation

A nominal cut-off grade of 0.5% Zn Equivalent (ZnEq) has been used to define mineralisation. In places, samples reporting less than 0.5% ZnEq were included to improve domain continuity and reduce modelling issues.

SRK has identified two major mineralised horizons/domains of interest (termed Domains 10 and 20 at Belara and Native Bee respectively). The major horizon/ domain could be traced over almost the full North–South strike length of both Belara and Native Bee, and orientation and thickness was observed to be relatively consistent over the extents of the mineralisation.

The mineralisation wireframes were used to assign codes to the drill hole samples. Many of the samples had been collected on 1m intervals. Prior to grade and statistical interpolation, the assay data were downhole-composited to 1m lengths. Variographic studies were conducted to quantify grade continuity and to assist with the selection of estimation parameters. The experimental semi-variograms were estimated from the 1m composite data. As a result of robust variography for Domain 10 being calculated, this variography was assumed for domain 20.

A block model for both Belara and Native Bee was created to cover the extents of the drill coverage. When choosing appropriate model cell dimensions, consideration was given to the drill spacing and sampling interval, the interpreted geometry and thickness of the lithological units, and the expected end-user requirements for the resource models. SRK also used Kriging neighbourhood analysis to check the suitability of the selected cell size.

Ordinary Kriging (OK) was used for grade interpolation, and the mineralisation boundaries were treated as hard boundary domains, meaning that model cells were estimated using only the samples in the same domain. Estimates were made to the (notional) location of the Parent cell using a 3 x 3 x 1 discretisation matrix. A multi-pass search strategy was implemented, which entails conducting the first interpolation pass using stringent sample selection parameters. For subsequent passes, less stringent parameters are used to estimate the grades of the cells that did not meet the first-pass criteria. The resource estimate presented in this Report was derived from Vulcan models and subsequently post-processed to a model that could be loaded as a .csv file in other software. To validate the Mineral Resource model visual assessment, statistical comparison and swath plots were used. Typical cross sections showing estimated blocks and drilling are provided in Figures 10 and 11.

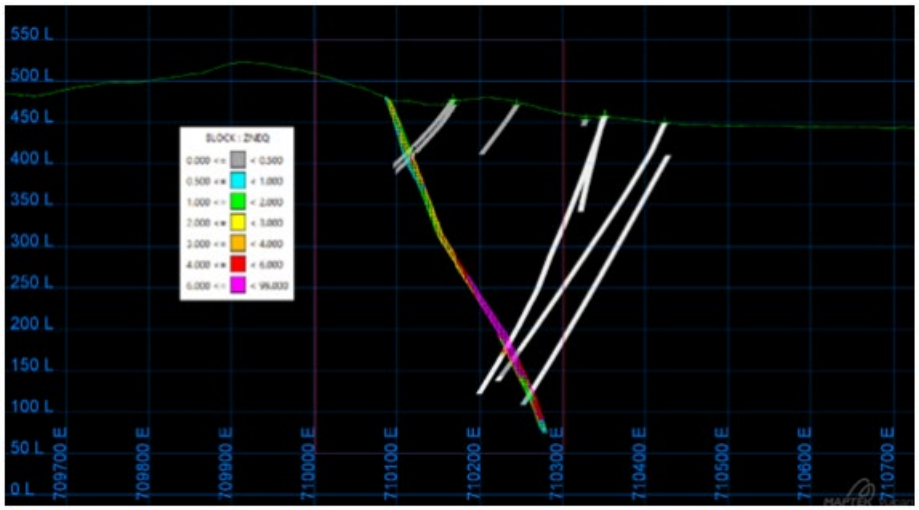

Figure 10: Belara Cross Section 6416365N 50m window

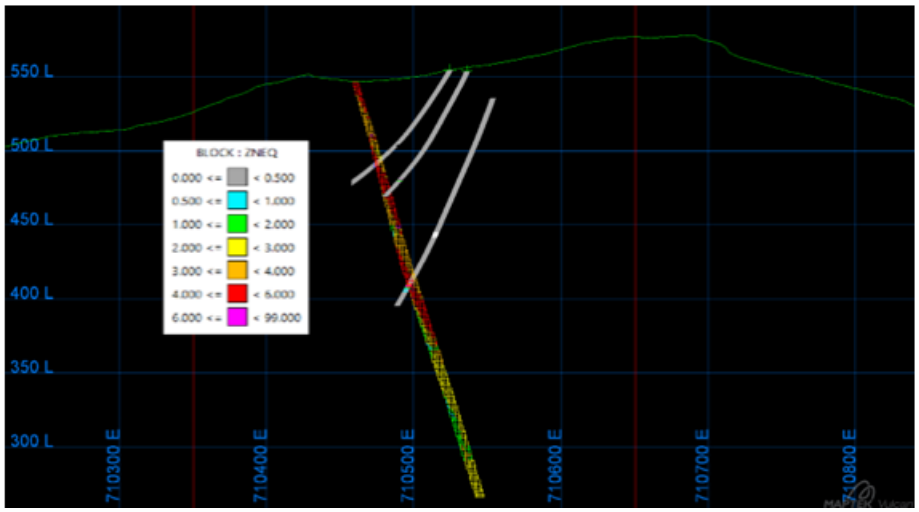

Figure 11: Native Bee Cross Section 6414750N 40m window

Classification and Reporting

The Belara Project Mineral Resource estimate was classified in accordance with the JORC Code, 2012 edition. Numerous factors were taken into consideration when assigning the classification applied to the MRE. Of these factors, it is considered that the classification has been primarily influenced by the drill coverage, geological complexity and data quality as described below:

Data quality: The datasets comprise a mix of data acquired from programs conducted prior to Belararox's acquisition of the Belara project (historical data). Direct QAQC data are not available for the some of the historical data drilled post 1992, but SRK considers that comparisons between datasets indicate that this historical data are sufficiently reliable for resource estimation when classification is considered.

Geological complexity: The general orientation of the major defined domains/horizons appears to be consistent and predictable. Thickness is only moderately variable. The domains/horizons display good lithological continuity between holes, with individual domains easily traced along and between drill sections, although localised variability is evident.

Data coverage: The data coverage varies from sub-regions with a nominal spacing of 50 x 150m up to a nominal spacing of 150 x 200m. The variography studies indicate useful grade continuity ranges up to 250m for estimation and, as indicated above, geological continuity between drill holes is evident.

All estimated domain model cells within the defined extents were assigned a classification of Inferred Mineral Resource fulfilling the criteria of less than 150 metres average distance to samples during estimation and above the 75mRL. SRK envisages that the material will be mined predominately by underground methods and considers that total depth of mining to approximately 400m true depth is not inconsistent with benchmarks for other similar underground operations of similar mineralisation styles. As such, Reasonable Prospects for Eventual Economic Extraction (RPEEE) has been considered.

The Mineral Resource estimate is classified in accordance with the JORC Code, 2012 edition guidelines. The Mineral Resource statement is presented in the table below at a variety of reporting ZnEq cut-offs for Belara and Native Bee and also combined. Cross sections for Belara and Native Bee prospects are shown in Figures 10 and 11 respectively.

Grade Tonnage Belara – Inferred Classified

ZnEq Lower Cutoff	Tonnage Mt	Zn Eq%	Zn%	Pb%	Cu%	Au g/t	Ag g/t
0.50	4.7	3.26	1.69	0.59	0.33	0.22	16.5
0.85	4.4	3.44	1.79	0.62	0.35	0.24	17.4
1.00	4.1	3.60	1.88	0.65	0.36	0.25	18.2
2.00	2.8	4.65	2.48	0.87	0.44	0.32	22.9
3.00	2.0	5.44	2.99	1.06	0.47	0.37	26.4
4.00	1.4	6.23	3.46	1.24	0.53	0.43	29.5
5.00	1.0	7.01	3.89	1.39	0.60	0.49	31.8
7.50	0.3	9.72	5.25	1.74	0.99	0.64	34.7

Grade Tonnage Native Bee – Inferred Classified

ZnEq Lower Cutoff	Tonnage Mt	Zn Eq%	Zn%	Pb%	Cu%	Au g/t	Ag g/t
0.50	1.0	2.19	1.38	0.48	0.16	0.02	13.6
0.85	0.6	3.15	2.03	0.67	0.23	0.02	17.6
1.00	0.5	3.29	2.13	0.70	0.24	0.02	18.5
2.00	0.4	3.71	2.41	0.78	0.27	0.03	20.8
3.00	0.3	4.30	2.80	0.89	0.31	0.03	24.1
4.00	0.2	4.99	3.29	1.03	0.34	0.03	28.2
5.00	0.1	5.59	3.72	1.16	0.37	0.04	31.4
7.50	0.0	7.65	5.20	1.68	0.44	0.04	44.2

Grade Tonnage Belara and Native Bee Combined Total – Inferred Classified

ZnEq Lower Cutoff	Tonnage Mt	Zn Eq%	Zn%	Pb%	Cu%	Au g/t	Ag g/t
0.50	5.6	3.08	1.64	0.57	0.30	0.19	16.0
0.85	**5.0**	**3.41**	**1.82**	**0.63**	**0.33**	**0.21**	**17.5**
1.00	4.7	3.56	1.91	0.66	0.34	0.22	18.2
2.00	3.2	4.52	2.47	0.86	0.41	0.28	22.6
3.00	2.3	5.30	2.97	1.04	0.45	0.33	26.1
4.00	1.6	6.11	3.44	1.21	0.51	0.39	29.3
5.00	1.1	6.91	3.88	1.37	0.58	0.45	31.8
7.50	0.3	9.72	5.25	1.73	0.98	0.64	34.7

Table 3: Belara Project Mineral Resource estimate as at 31 October 2022 reported at various ZnEq cut-offs

Reporting Notes:
ZnEq is calculated using 6 month average metal prices from the London Metals Exchange in US$ (Zn 3,596 $/t , Pb 2,089 $/t, Cu 8,633 $/t, Au 1806 $/oz, Ag 21 $/oz) and metallurgical recoveries determined from preliminary metallurgical review and interpretation supplied by Belararox (Zn 74%, Pb 62%, Cu 75%, Au 65%, Ag 45%). ZnEq is calculated by the formula ZnEq = Zn + (Pb*0.48672) + (Cu*2.43317) + (Au*1.30776) + (Ag*0.01133).

Grade tonnages are valid for model reporting above 0.85% ZnEq however an economic cut-off of 3% ZnEq could be considered. Rounding may result in minor discrepancies.

Bullabulling Project

2D and 3D prospectivity modelling using Machine Learning techniques have mapped seven high priority targets for exploration drilling on the Bullabulling Project area in WA. These targets have the same geophysical, geological, and geochemical characteristics as the nearby 3Moz Bullabulling and 320Koz Geko gold mines.

Initial reconnaissance mapping and XRF soil sampling is proposed in Q1 CY23 to ground truth these targets and to assist with drilling proposed in Q2 CY23.

A small four (4) drillhole reverse circulation (RC) drill program is planned in Q2 CY23 to test these highest priority targets particularly those spatially associated with the ultramafic amphibolite where they steepen.

Health and Safety

During the December 2022 quarter report period no injuries or incidents were reported. Belararox continued to develop and implement procedural documents, systems, and processes.

Current statistical information as to 31st December 2022 is detailed below:

286 Days LTI Free - As at 31st December 2022.
Target – Incident and Injury Free Workplace

Future Work Programme

BELARA PROJECT

During the current quarter, planning has commenced for a proposed Phase 2 drilling programme. This combined reverse circulation / diamond drilling program aims to target down dip extensions to the Belara deposit, and the Native Bee mine and its southern extensions. Gradient Array Induced Polarisation (GAIP) and Fixed Loop Electromagnetic (FLEM) surveys completed during 2022 over the Native Bee mine and environs has identified an anomalous chargeability response extending some 1,000m to the south of the mine site. This response could indicate extensions to known mineralisation as either zones of massive sulphide or more widely distributed disseminated sulphides.

Additional activities will include ongoing mapping and rock chip/soil sampling particularly to the north of Belara and to the south of Native Bee to assess for the potential of extensions to known mineralisation.

Exploration Licence Applications ELA6287 and ELA6176 are expected to be approved in the March 2023 quarter and exploration activities can commence on these licences. Initial activities will include mapping and sampling of known mineralisation, including the Ben Buckley Prospect located to the south of Native Bee potentially along the same structural trend and considered prospective for base and precious metals.

Potential gold targets have also been identified further east in ELA6287 in areas of historical alluvial and hard rock mining. Modern exploration techniques, both geological and geophysical, as well as new 3D geological models and 3D machine learning assisted computer modelling techniques, will be used to develop and prioritise new targets in these areas, with the aim of having a pipeline of potential resource targets ready for drilling during 2023 and 2024.

BULLABULLING PROJECT

The future work program into Q1 CY23 includes reconnaissance mapping and XRF soil sampling. This will assist in ground truthing of drillholes for a small RC program planned for Q2 CY23.

Corporate

ANNUAL GENERAL MEETING 3 NOVEMBER 2022

The Company held its Annual General Meeting on 3 November 2022 at which all resolutions tabled were passed on a poll and results released to the market in accordance with ASX Listing Rule 3.13.2 and Section 251AA of the Corporations Act.

ISSUE OF LISTED OPTIONS

Pursuant to resolutions 12 and 13 passed at the Annual General Meeting, the Company issued cleansing notices on 7 November and 8 November 2022 in respect of the issue of Listed Options as follows-

(a) 7,000,000 new Listed Options to sophisticated and professional investors or their nominees under the Placement concluded in September 2022;
(b) 2,000,000 new Listed Options to Raven Corporate Management Pty Ltd or its nominees; and
(c) 6,850,000 new Listed Options to CPS Capital Group Pty Ltd or its nominees.

EXERCISE OF PERFORMANCE RIGHTS / ISSUE OF SHARES

Following the exercise of 100,000 Performance Rights by Chris Blaser, Belararox Senior Geologist under his contract of employment, the Company on 21 November 2022 issued to Mr Blaser 100,000 ordinary shares in the Company.

ARGENTINE PROJECT

Following the end of the December 2022 quarter and the suspension of its securities for a period of three (3) trading days, the Company announced on 3 January 2023 the execution of a Non - Binding Terms Sheet with Fomo Ventures No 1 Ltd (**Fomo)** and its shareholders 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);
- 10,500,000 Performance Shares subject to meeting conditions outlined in the Fomo Release.

CAPITAL STRUCTURE

As at 31 December 2022 the Company had the following securities on issue:

BRX Security	Number
Fully paid ordinary shares (ASX: BRX)	38,430,020
Fully paid ordinary shares escrowed until 28 January 2024 (ASX: BRXAB)	16,000,000
Performance Rights escrowed until 28 January 2024 (ASX: BRXAC)	250,000
Performance Rights (BRXAE)	1,200,000
Fully paid listed options (ASX: BRXO)	39,390,059

The Company currently has 54,430,020 fully paid ordinary shares on issue at the date of this report including 16,000,000 fully paid ordinary shares escrowed until 28 January 2024, 250,000 vested performance rights (escrowed until 28 January 2024) and 1,200,000 new performance rights remain on issue at the date of this report.

FINANCE AND USE OF FUNDS

During the quarter, the Company completed a capital raising of $3,850,000 (before costs) to sophisticated and professional investors. 7,000,000 fully paid ordinary shares were issued, with one (1) free attaching BRXO Option for each share subscribed.

In accordance with ASX Listing Rule 5.3.1, the Company spent $390,049 on exploration work during the quarter, which comprised primarily of works associated in delivering a Maiden Resource Estimate for the Belara project area of interest.

Pursuant to ASX Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities undertaken during the quarter.

In accordance with ASX Listing Rule 5.3.4, summarised below is the Company's expenditures to date in relation to the outlined Use of Funds included within its Prospectus.

Use of Funds	Prospectus	Actual to Date
Exploration Expenditure	2,100,000	2,366,623
Drilling Expenditure	1,079,000	1,335,780
Future Acquisition Costs	750,000	-
Working Capital (including corporate overheads)	923,646	1,535,654
Estimate costs of the offer	711,215	815,823

The material variances noted above are as a result of a number of factors, including:

- As announced in previous quarterly activity reports, the Company continued to focus on the Belara project, including the delivery of a maiden Mineral Resource Estimate and the associated drilling expenditure required to complete this. These costs were higher than originally anticipated, partly due to weather conditions, which limited drill productivity, as well as labour shortage and machinery supply pressures, and their impact on costs.
- The Company remains open to future acquisitions and is currently in the process of considering one such opportunity, Fomo, as outlined above.
- The Company has incurred higher than anticipated working capital costs, including:
  - Expansion of the Administration team to support operations;
  - Costs associated with the non-renounceable entitlement issue; and
  - Consumer Price Index and associated inflationary pressures experienced across a broad range of working capital costs.
- The Company recently completed a capital raising of $3.85m (before costs). The proceeds from this capital raising will be applied towards the Company’s strategic and operational cash flow needs, including those as originally included within the Company’s Prospectus (as outlined above).

For the quarter ended 31 December 2022, the Company had cash outflows from operating and investing activities of $1,466,950. This included $390,049 in exploration and evaluation expenditure which was capitalised during the quarter. The remaining expenditure incurred was attributed primarily to corporate and administration costs.

Appendix 5B Quarterly Cash Flow Report

An Appendix 5B – Quarterly Cash Flow Report for the quarter ended 31 December 2022, accompanies this Quarterly Activities Report.

In accordance with ASX Listing Rule 5.3.5, the Company advises that during the quarter, total payments of $245,064 (GST exc.) were made to Related Parties. This amount comprised of the following:

- $90,998 paid to Kenex Pty Ltd, an entity to which Ms Michelle Stokes is a Director. $73,918 of the amount pertained to exploration activities undertaken during the quarter. The remaining $17,080 was in relation to assistance provided in the preparation of technical presentations.
- $30,000 paid to Raven Corporate Management Pty Ltd, an entity controlled by a close family member of Mr Neil Warburton. Mr Neil Warburton has no direct or indirect interest in the entity. Raven Corporate Management Pty Ltd provided corporate advisory services to the Company during the quarter.
- The remaining $124,066 was payment for Director fees to the Company's Board of Directors.

This announcement has been authorised for release by the Board of Belararox.

SHAREHOLDER ENQUIRIES	MEDIA ENQUIRIES	GENERAL ENQUIRIES
Arvind Misra Managing Director Belararox Limited arvind.misra@belararox.com.au	**Julia Maguire** The Capital Network julia@thecapitalnetwork.com.au	**Belararox Limited** www.belararox.com.au info@belararox.com.au

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.

Competent Persons Statement

The information in this announcement to which this statement is attached relates to Exploration Results and is based on information compiled by Chris Blaser. Mr Blaser is Exploration Manager of Belararox. and is a Competent Person who is a Member of the Australasian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy. 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 has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 1

In accordance with ASX Listing Rule 5.3.3, Belararox provides the following information about its Belara Project tenements located in NSW and Bullabulling Project tenements located in WA for the quarter ended 3 June 2022. The Belara project Tenement Schedule includes two pending Exploration License Applications (ELA6176 and ELA6287) that are currently undergoing Native Title Land Access Agreements negotiations.

Tenement	Holder	Percentage Held	Grant Date	Expiry Date	Area (units)	Area (km^2)
EL9184	Belararox Ltd	100%	03/06/2021	03/06/2027	52 units	150.7
ELA6176			pending		(37)	107.2
ELA6287			pending		(133)	385.5

Table 1. Belara Tenement Schedule

Tenement	Report Group	Holder	Percentage Held	Grant Date	Expiry Date	Area (Ha)
P15/6427	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	143.94
P15/6474	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	136.68
P15/6475	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	197.60
P15/6476	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	197.61
P15/6477	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	195.90
P15/6478	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6479	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	190.68
P15/6480	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	181.66
P15/6481	C5/2022	Belararox Limited	100%	8/06/2021	7/06/2025	198.22
P15/6482	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6483	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6484	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	198.74
P15/6485	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	196.84
P15/6486	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	199.92
P15/6487	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	193.39
P15/6488	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	196.98
P15/6489	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	197.84
P15/6490	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	199.11
P15/6491	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6492	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	199.09
P15/6559	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6560	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	198.59
P15/6561	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	198.91
P15/6562	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	200.00
P15/6563	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	163.47
P15/6564	C5/2022	Belararox Limited	100%	14/07/2021	13/07/2025	98.28

Table 2. Bullabulling Tenement Schedule

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Belararox Limited	
ABN	Quarter ended ("current quarter")
41 649 500 907	31 December 2022

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development		
	(c) production		
	(d) staff costs	(15)	(37)
	(e) administration and corporate costs	(1,064)	(1,773)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,075)**	**(1,804)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2)	(4)
	(d) exploration & evaluation (if capitalised)	(390)	(1,590)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of: (a) entities (b) tenements (c) property, plant and equipment (d) investments (e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(392)**	**(1,594)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,851	3,902
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(231)	(231)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**3,620**	**3,671**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,082	2,961
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,075)	(1,804)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(392)	(1,594)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,620	3,671
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,235**	**3,235**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	3,235	1,082
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,235**	**1,082**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(171)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(74)

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,075)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(390)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,465)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,235
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,235
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.21

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2022

Authorised by:

Arvind Misra
(Managing Director)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g., Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ASX | BRX

BELARAROX

Quarterly Activity Report

Period Ending December 2022

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