Heavy Rare Earths and Lithium potential expanded at Lyons River Project, Gascoyne Province

Lyons River Project Highlights

- **Two significant Rare Earth Element (REE) anomalies outlined at View Hill and 32 Mile Well prospects in the Gascoyne region of Western Australia.**
- **REE anomalism at View Hill with peak value of 1,043 ppm TREO (Total Rare Earth Oxides) and strike length of 2.2km coincides with large thorium high.**
- **REE anomalism at 32 Mile Well with a peak value of 2,025 ppm TREO has a strike length of more than 3km.**
- **REE anomalies lie adjacent to a major NE-trending structural feature, compatible with relationships seen at Kingfisher Mining's Mick Well REE discovery. Anomalies could represent hard rock or clay hosted REE mineralisation.**
- **A major shear zone/corridor active during the Edmundian Orogeny defined, with potential for lithium bearing pegmatites supported by previously reported Li in soil geochemical anomalies and anomalous rock chip values of 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 183 ppm Sn.**
- **Analyses of granitic rocks demonstrates that intrusions of the Thirty Three Supersuite are present, which confirms interpretation of Edmundian deformation, and underlines prospectivity for lithium bearing pegmatites.**

Dalaroo Metals Ltd (**ASX: DAL,** "Dalaroo" or "Company") is pleased to announce excellent results from its follow up systematic soil sampling relating to REE prospectivity at the View Hill area in the Lyons River Project, Gascoyne region of Western Australia (Figures 1 and 5).

Dalaroo's Lyons River Project comprises approximately 740km^2 of the Durlacher Super Suite and Halfway Gneiss, transected by major NW-trending shear zones including the Chalba Shear. This same stratigraphy and comparable structural setting hosts significant REE deposits nearby to the north, at the Hastings Technology Metals Yangibana and Dreadnought Resources Mangaroon projects, and to the south at Kingfisher Mining's Mick Well Project (Figure 1).

Dalaroo's Managing Director, Harjinder Kehal, commented:

"We are delighted to have delineated two REE geochemical anomalies (combined strike of >5km) with results for the heavy end of the rare earths spectrum, of up to 2,045 ppm Total Rare Earths Oxides (TREO) from a follow-up sampling program on the eastern side of our Lyons River Project".

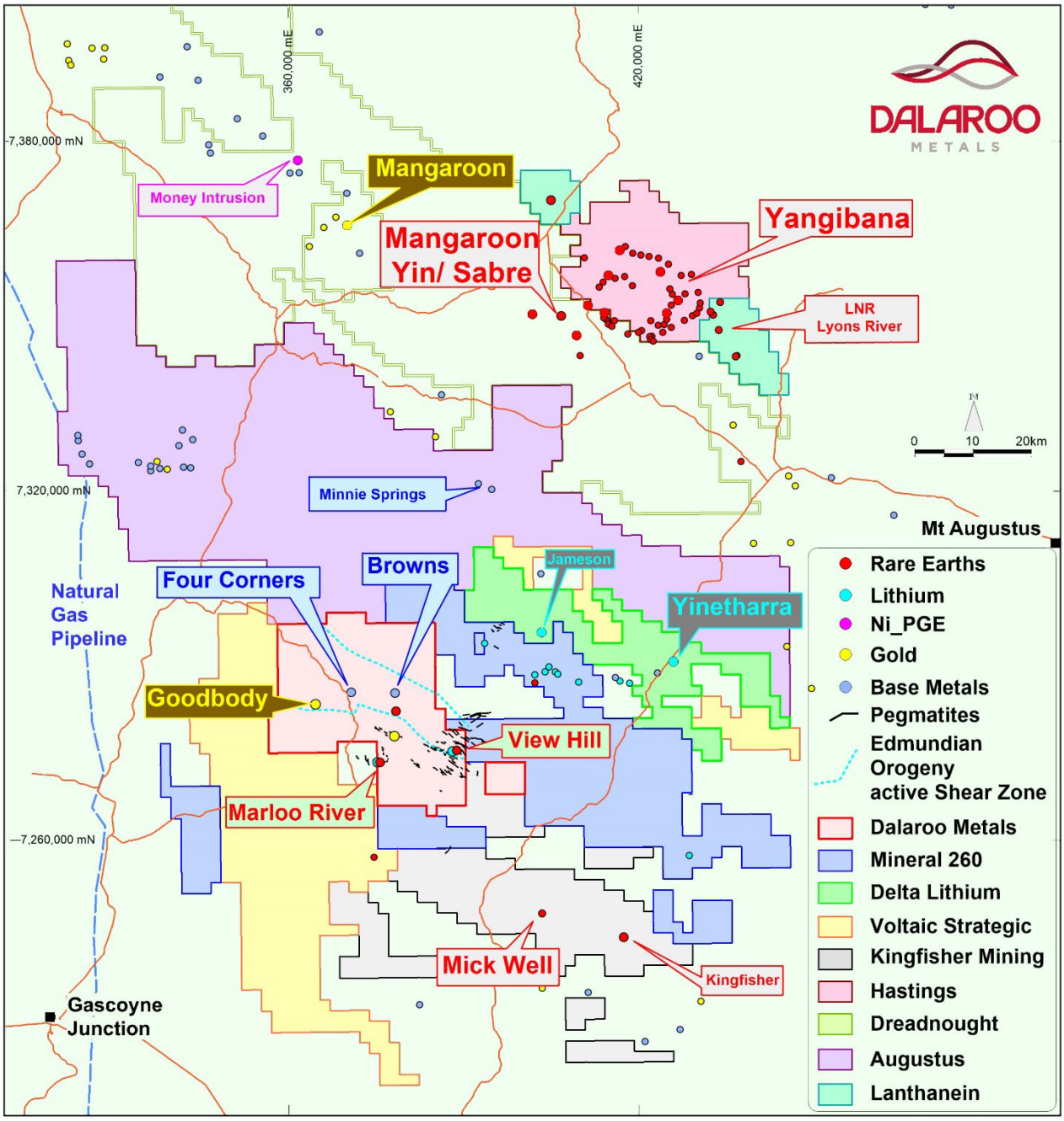

Figure 1: Dalaroo Metals, Lyons River Project in the Gascoyne Province REE and lithium companies and prospects

Technical Commentary

Rare Earths

Two significant REE anomalies have been outlined at the View Hill and 32 Mile Well prospects. The REE anomalism with a peak value of 1,043 ppm TREO at Zone 1 has a strike length of 2.2km, average width of 500m and coincides with a large NW trending thorium high identified in detailed radiometric imagery data flown by the Company. The second REE anomaly with a peak value of 2,025 ppm TREO has a current strike length of over 3km and an average width of 300m (Table 1).

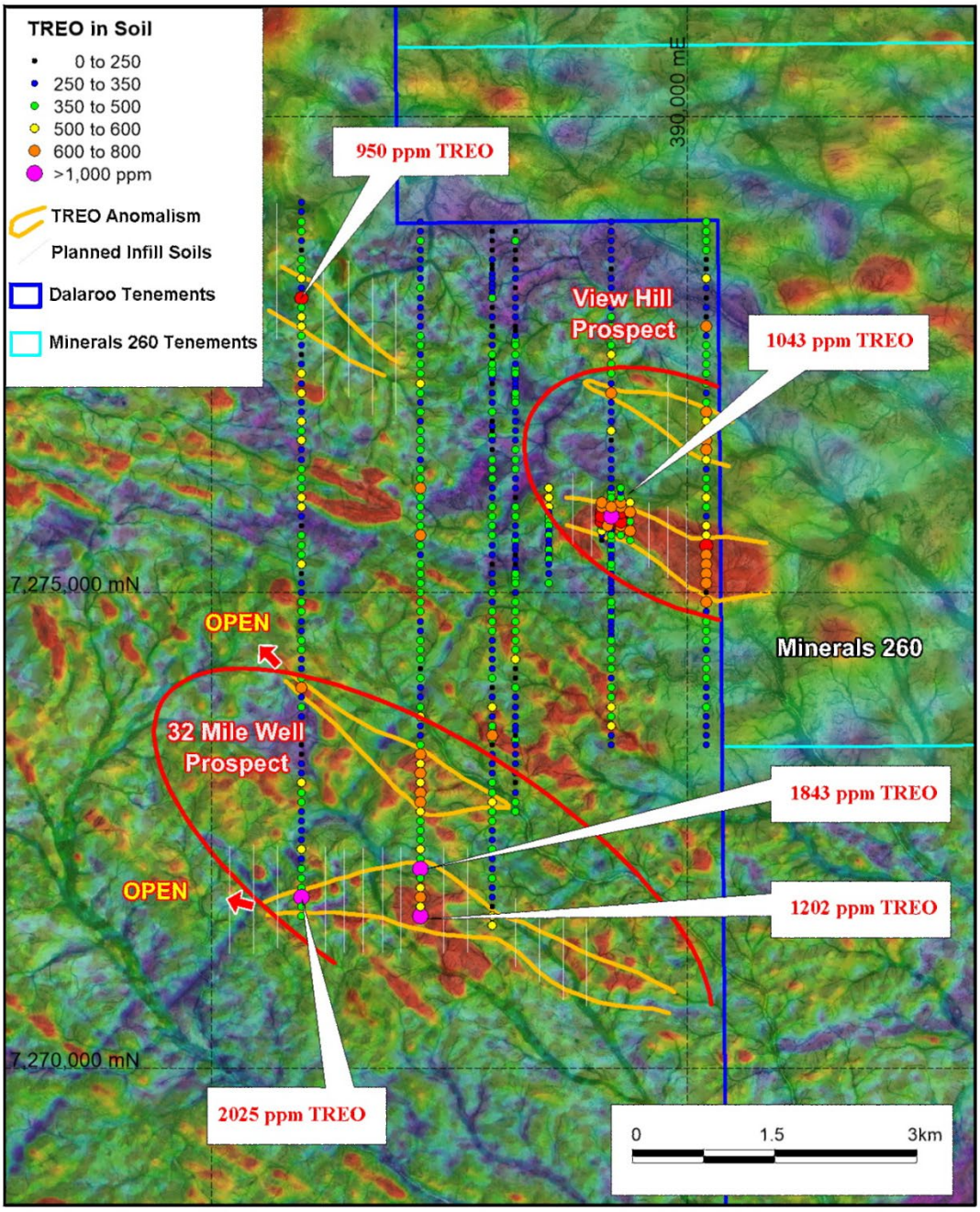

Figure 2: TREO results on radiometrics thorium/google image (note coincident large thorium and TREO anomaly at View Hill prospect).

Importantly both REE anomalies lie adjacent to a major NE-trending structure, compatible with relationships seen at Kingfisher Mining's Mick Well REE discovery (Figures 1 and 2). The anomalies have no recorded drilling and could, therefore, represent either potential hard rock or near surface clay hosted mineralisation drill targets. A total 309 soil samples were collected over the greater View Hill and 32 Mile Well prospect areas as part of the follow up sampling program on lines 1km apart at 100m intervals (Figure 2). First pass REE results at View Hill had returned values of up to 1043 ppm TREO reported (ASX: DAL -See ASX: Announcement from 4 April 2023).

Lithium Potential

At Dalaroo's Lyons River Project, a shear zone with a strike length of 30km has been identified from detailed geological mapping undertaken by respected lithium expert and structural geologist, Dr Mike Grigson. This shear zone was active during the Edmundian Orogeny (like the Ti Tree Shear Zone, hosting Yinnetharra Lithium mineralisation) and importantly this shear zone shows strain with steep mineral stretching lineations, and localised oblique foliation trends near cross-fault swarms in the central part in the Four Corners area (Figures 2 and 3). The latter features are indicative of strong constrictional strain, and in other rare-metal provinces (e.g., East Pilbara Terrane) such structures characterise the immediate environs of major spodumene-bearing pegmatite deposits.

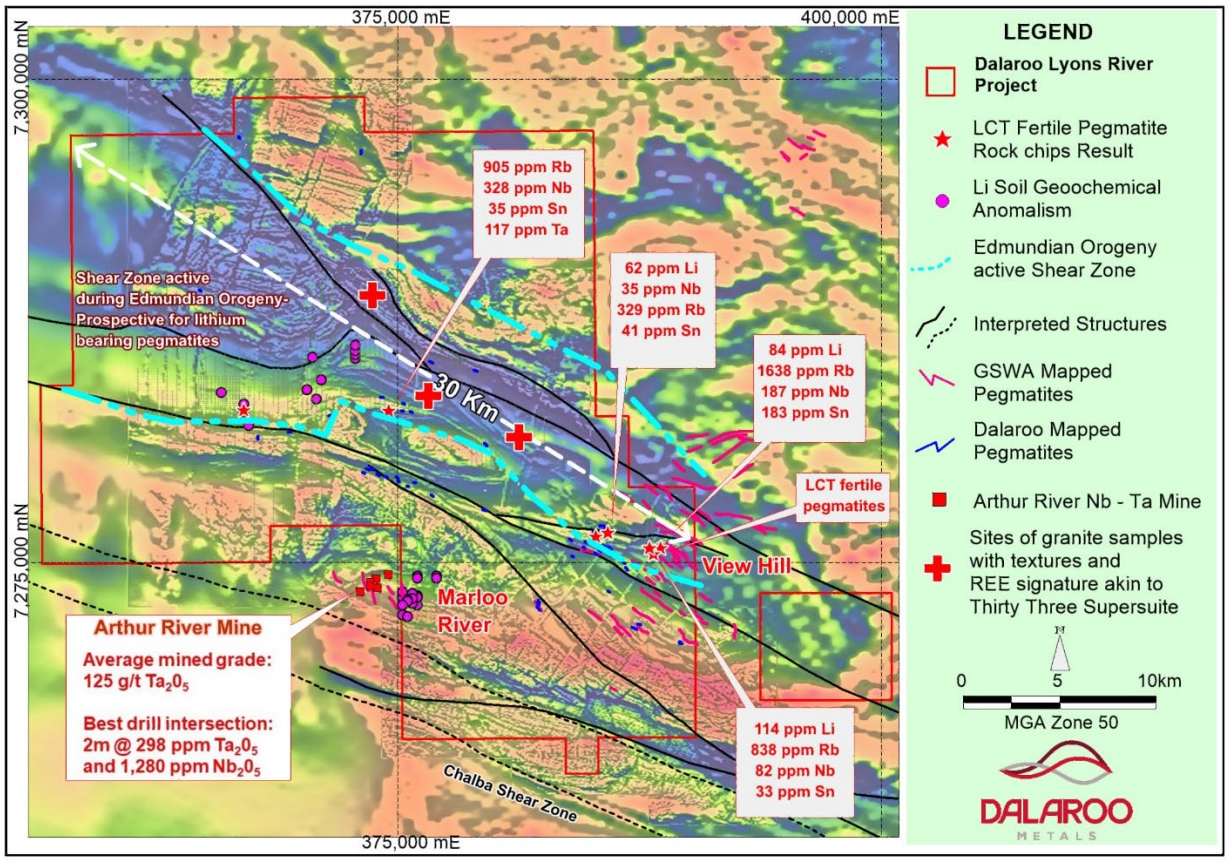

Figure 3: Lyons River Project – Major shear zone/corridor active during the Edmundian Orogeny, with potential for lithium bearing pegmatites.

The Edmundian timing of shear-zone deformation is supported by presence of granite intrusions at Lyons River that contain pegmatite segregations, and display REE enrichment patterns identical to the distinctive patterns shown by the intrusions of the Thirty Three Supersuite in the Ti Tree Shear Zone (flat, to weakly positive, chondrite-normalised profile from Gd to Lu; Figure 3 and Table 2). The presence of such granite intrusions is not unexpected, given the large number of thick, muscovite-rich, granitic pegmatite sheets at Lyons River. Importantly, many of the granitic pegmatite sheets at Lyons River are highly deformed, which again is the hallmark of major rare-metal pegmatite provinces, where the deformed sheets are considered the most likely source of melts that formed spodumene-bearing deposits in shear zones.

Rock chip sampling completed to date of outcropping pegmatites at View Hill has confirmed whole rock geochemistry considered highly fertile for LCT-type pegmatites (Figure 3). A pegmatite swarm that outcrops in the newly identified shear zone and across a 9km x 6km area has returned anomalous rock chip values of 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 183 ppm Sn. Rock chip sampling of pegmatites, west of View Hill, has returned significant Ta and Nb values of 117 ppm and 328 ppm respectively with anomalous Rb of 904 ppm (ASX: DAL - See ASX: Announcement from 1 December 2022). This is indicative of highly fractionated LCT pegmatites and supports the interpretation that the shear zone/corridor is fertile, with potential for higher grade lithium at depth.

Pegmatites in the adjacent Yinnetharra district form part of the intrusive Thirty Three Supersuite ("TTS"), which comprises granite, granitic pegmatites (microcline-muscovite-tourmaline) and rare-metal pegmatites. Field mapping by Dalaroo has confirmed that the granites and pegmatites of the TTS have also intruded the host stratigraphy of the Lyons River Project tenements (Figure 3). Dalaroo's lithium anomalous rock chip results are located approximately 22km south-west of the Yinnetharra Lithium Project, where Delta Lithium has significant intersections of 29m @ 1.5% Li_2O and 36m @ 1.1% Li_2O (ASX: DLI -See ASX: Announcement from 4 July 2023).

Next Steps

REE Potential

Infill soil sampling over the View Hill and 32 Mile Well prospects which have strike lengths of 2.2km and 3km respectively will be completed on a 200m x 40m pattern. Rock chip sampling will be undertaken over the REE anomalous zones. The results from the infill sampling is expected to delineate drill targets.

Lithium Potential

Rock chip sampling of the 30km strike length shear zone that was active during the Edmundian Orogeny similar to Ti Tree Shear, hosting Yinnetharra Lithium has commenced to outline Li bearing pegmatites. Results from this sampling program will lead to defining drill targets.

ENDS

For more Information:

Please visit our website for more information: www.dalaroometals.com.au

Harjinder Kehal, Managing Director on +61 400 044 890

Authorised for release to the ASX by the Board of Dalaroo Metals Ltd.

COMPETENT PERSON

The information in this report that relates to Exploration results is based on information compiled by Dalaroo Metals Ltd and reviewed by Mr Harjinder Kehal who is the Managing Director of the Company and is a Registered Practicing Geologist and Member of the AusIMM and AIG. Mr Kehal has sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and to the activities undertaken 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 Kehal consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

FORWARD-LOOKING INFORMATION

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the planned exploration program and other statements that are not historical facts. When used in this report, the words "could", "plan", "estimate", "expect", "intend", "should" and similar expressions are forward-looking statements. Although Dalaroo believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

CAUTIONARY NOTE

The statements and information contained in this report are not investment or financial product advice and are not intended to be used by persons in deciding to make an investment decision. In releasing this report, Dalaroo has not considered the objectives, financial position or requirements of any particular recipient. Accordingly, potential investors should obtain financial advice from a qualified financial advisor prior to making an investment decision.

Table 1: Soil geochemical sample locations and anomalous results of REE analyses expressed as TREO greater than 800 ppm.

Sample ID	East	North	CeO_2	Dy_2O_3	Er_2O_3	Eu_2O_3	Gd_2O_3	Ho_2O_3	La_2O_3	Lu_2O_3	Nd_2O_3	Pr_6O_{11}	Sm_2O_3	Tb_4O_7	Tm_2O_3	Y_2O_3	Yb_2O_3	TREO
LRS5389	385950	7271800	927.4	20.7	5.3	2.1	45.0	2.5	418.7	0.6	340.6	103.5	72.6	5.3	0.6	76.6	3.7	2025
LRS5291	387200	7272100	841.5	20.0	6.3	4.1	41.0	2.7	375.3	0.8	312.6	93.2	59.0	4.8	0.7	76.8	5.0	1843
LRS5296	387200	7271600	551.6	14.2	5.1	2.8	23.5	2.1	247.5	0.5	192.5	58.6	33.3	3.0	0.6	64.4	3.3	1202
LRS5070	389100	7275800	450.8	10.8	3.5	1.6	17.1	1.6	213.4	0.3	137.6	44.9	23.8	2.2	0.4	44.2	2.2	954
LRS5326	385950	7278100	433.6	12.7	3.0	3.4	23.1	1.6	186.5	0.3	158.6	46.9	30.0	2.9	0.7	45.0	1.4	950
LRS5059	389300	7275750	420.1	12.1	7.4	2.8	17.1	2.1	194.7	0.6	141.1	44.6	24.6	2.3	0.7	64.4	4.6	939
LRS5069	389100	7275750	425.0	11.8	5.0	1.8	16.8	1.8	193.5	0.5	136.5	43.3	23.8	2.3	0.5	52.4	3.1	918
LRS5071	389100	7275850	423.8	10.4	4.1	2.5	15.9	1.6	191.2	0.4	140.0	43.6	23.0	2.0	0.5	47.6	2.6	909
LRS5145	390200	7275500	412.7	11.2	4.1	2.3	16.1	1.8	188.8	0.4	137.6	43.4	22.5	2.1	0.5	48.1	2.8	894
LRS5061	389300	7275850	409.1	10.0	4.2	2.4	15.0	1.7	185.3	0.4	131.8	41.3	21.3	2.0	0.5	47.1	3.1	875
LRS5060	389300	7275800	383.3	10.7	5.0	2.4	14.8	1.9	175.9	0.5	124.8	39.0	20.6	2.0	0.6	55.7	3.8	841
LRS5206	389200	7271100	372.2	9.3	3.1	2.1	16.8	1.6	165.4	0.3	128.3	39.3	22.3	2.0	0.3	39.2	2.0	804
LRS5045	389200	7275750	361.1	10.0	4.7	2.5	15.7	1.6	170.1	0.5	122.5	38.4	20.2	1.9	0.5	47.4	3.2	800
LRS5050	389200	7275950	363.6	10.4	4.2	2.3	15.9	1.6	164.2	0.5	123.6	38.3	21.9	2.1	0.7	47.2	3.1	800

Table 2: Results of REE analyses of granitic rocks in the Edmundian Orogeny shear zone (elements/fields arranged by atomic weight).

Sample ID	East	North	Lithology	Classification	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu
23LRR009	376666	7283297	Monzogranite	Thirty Three Supersuite	34.6	97.3	7.35	25.4	4.25	0.45	3.2	0.52	3.55	0.74	2.7	0.45	3.2	0.48
23LRR010	377777	7282794	Leucogranite	Durlacher Supersuite	79	175	18.5	69.1	12.3	1.95	8.6	1.04	4.95	0.64	1.4	0.15	0.95	0.1
23LRR011	378423	7282705	Leucogranite	Durlacher Supersuite	136	267	24.1	88.6	13.3	1.35	9.8	1.24	6.35	0.98	2.5	0.25	1.65	0.2
23LRR012	381039	7280875	Monzogranite	ThirtyThree Supersuite	9.4	11.7	1.4	5.05	0.85	0.65	0.8	0.1	0.7	0.16	0.55	0.1	0.6	0.08

About the Lyons River Project

Lyons River is located approximately 1,100km north of Perth and approximately 220km to the north-east of the coastal town of Carnarvon, Western Australia. The Lyons River Project lies within the Mutherbukin Zone of the Gascoyne Province, which is the deformed and high-grade metamorphic core zone of the early Proterozioc Capricorn Orogen (Figure 4).

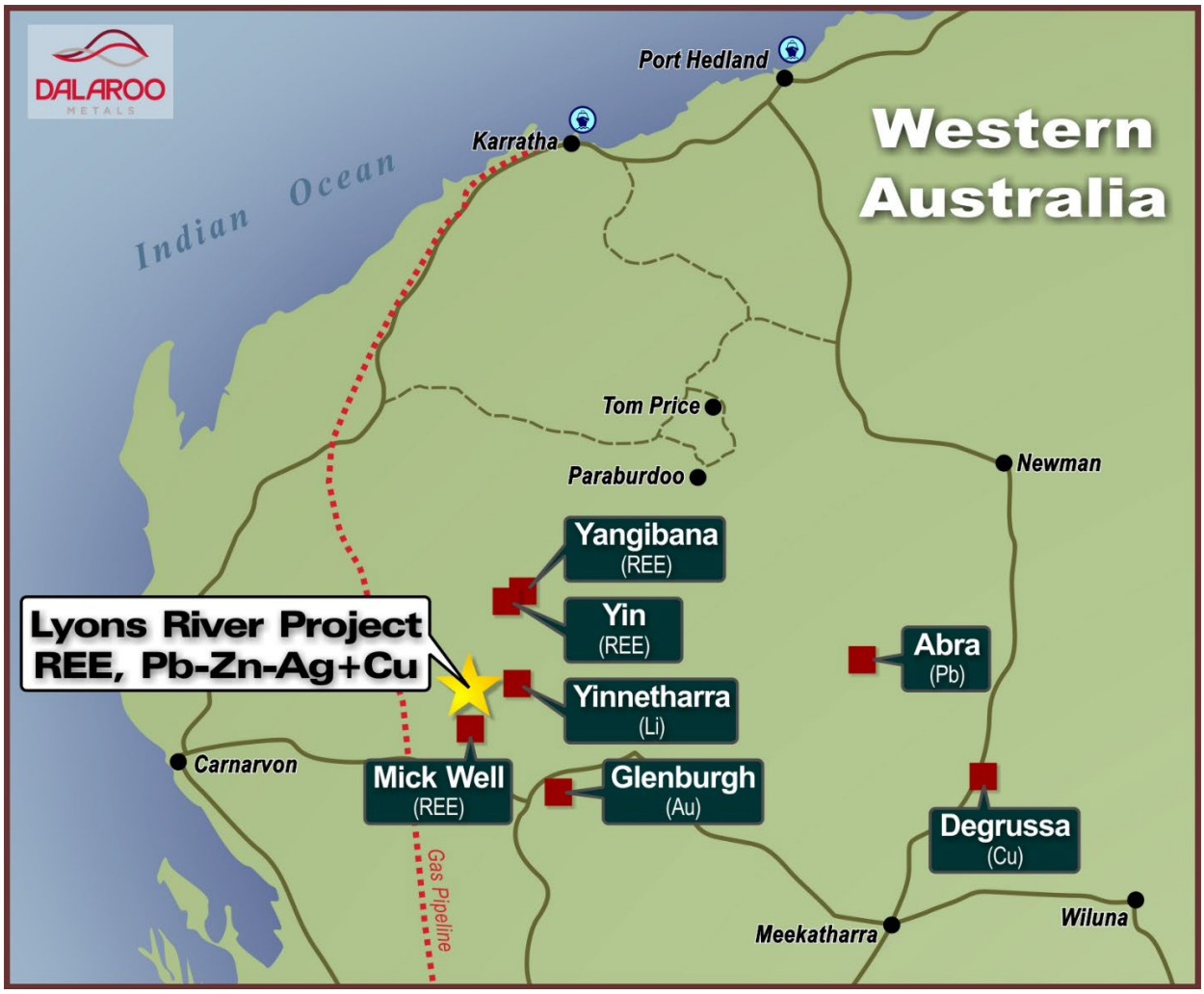

Figure 4: Lyons River Project location diagram

Appendix 1: Dalaroo Metals Ltd – Lyons River Project – JORC Code Edition 2012: Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld x-ray fluorescence (XRF) instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Soil and rock chip sampling. Soil samples are generally homogenised by the collection process. Entire sample was submitted for sample prep and assay. Rock chip samples were taken as individual rocks representing an outcrop to give an indication of their mineral and elemental composition. For soil sampling, at the selected sample site, a small hole is dug to a depth of approximately 20 cm. The soil material at the base of the hole was sieved, and approximately 2kg of –2mm soil material was collected into a numbered calico bag. Rock chip sampling completed across a lithology, in a channel fashion, to obtain representative material, with sample size of 1-4 kg. Soil and rock chip sampling results are a first pass exploration technique that can assist in vectoring toward mineralisation.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	No drilling results reported.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling results reported.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling results reported.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling results reported.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Sample type and landform/regolith settings were recorded, and geo-tagged photos of samples and settings taken.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	No drilling results reported.
	The total length and percentage of the relevant intersections logged.	
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Soil samples were sieved to collect the -2 mm fraction.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Representative rock samples were collected. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation of samples follows industry best practice standards and is conducted by internationally recognized laboratories; i.e Oven drying, jaw crushing and pulverising so that 90% passes -75 microns.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	There was no sub-sampling.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Soil sampling completed on a regular grid line spacings to ensure representative sampling of area being assessed.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Entire rock sample was submitted for multi-element assay and sample size is considered appropriate for the material being sampled. Entire soil sample submitted for assay and sample size is considered appropriate for the material being sampled.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Soil and rock samples have been submitted to Bureau Veritas Laboratories for analysis by 4-Acid Digest - 0.2g Samples analysis and determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry and Inductively Coupled Plasma (ICP) Mass Spectrometry.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Anomalous geochemical thresholds were determined by a senior geologist and consultant. None drilled. All field data was manually collected, entered into excel spreadsheets, validated and loaded into Access database and processed by a number of different exploration software. None required
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	All samples collected are located using a handheld GPS. Grid system used for geochemical sampling is GDA94 Zone 50 For geochemical sampling nominal RLs based on regional topographic data sets and handheld GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Soil sampling on 1000m and 500m X 100m spacing based on geology/structural framework. Rock samples collected within a defined regional structural corridor. MRE not being reported.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Soil sample lines were orientated approximately perpendicular to the geological strike and strike of the interpreted major structures. Given the topography and early stage of exploration, the sampling orientation is not considered to introduce a bias to the interpretation of the data. Rock chip sampling was of a reconnaissance nature only and was not designed to achieve unbiased sampling.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling results reported.
Sample security	*The measures taken to ensure sample security.*	Samples were collected into labelled polyweave sacks which were sealed by cable ties. The polyweave sacks were placed in bulka-bags and transported to the laboratory by freight company. Once the samples arrived at the laboratory, the samples numbers were checked against the sample submission form and no errors were identified.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	As part of the interpretation of the data the Company's geologist and consultants undertook a review of the assay data quality, including laboratory batch effects. No significant biases were identified.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Lyons River Project tenements are wholly owned by Dalaroo Metals Limited ("Dalaroo") The Project is located 220km north-east of Carnarvon on Eudamullah, Lyons River and Bidgemia Pastoral stations. The Competent Person is unaware of any impediments to development of these tenements.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration of Lyons River has previously been undertaken by other parties including Audalia Resources and Serena Minerals and the Competent Person has referenced the parties involved and the results of this work throughout the text. Audalia Resources and Serena Minerals undertook exploration with a focus on base metals during the period 2013 to 2021. Work completed regional geological mapping, geophysical surveys, rock chip sampling, stream sediment sampling and soil sampling.
Geology	*Deposit type, geological setting, and style of mineralisation.*	The tenements are located in the Mutherbukin zone of the Gascoyne Province. The majority of the tenement area is interpreted to be dominated by a sequence undifferentiated schists, gneiss and granites of the Durlacher Suite (Davey Well Granite) and Thirty Three Supersuite granitic pegmatites
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *easting and northing of the drillhole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drillholes are reported. The plan provided in the body of the report identifies the location of the geochemical sampling sites.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	No mineralisation widths have been reported.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Appropriate maps displaying all the data points and anomalous values are provided in the body of the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The reporting of exploration results is considered balanced by the competent person.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other exploration to report.

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Appropriate plans for further work are provided in the body of the report.