

Successful \$175,000 Co-funded Drilling Grant for Namban

Highlights

- Dalaroo awarded \$175,000 through a successful application for the Exploration Incentive Scheme (“EIS”) funded by the Government of Western Australia.
- Five diamond drill holes will test the significant Manning PGE*-Cu-Ni-Au geochemical anomalies.
- Recently defined IP anomalies with high chargeability values of up to 30 mV/V correlate well with PGE-Ni-Cu-Au geochemistry.
- Drilling to commence upon completion of the West Australian 2022 harvest season.

Dalaroo Metals Ltd (ASX: DAL, “Dalaroo” or “Company”) is pleased to announce that its application has been successful in Round 26 of the Exploration Incentive Scheme (“EIS”) funded by the Government of Western Australia. The grant will co-fund drill testing of a compelling PGE-Ni-Cu-Au mineralisation target at the Company’s Namban Project. The grant is for an amount of up to \$175,000 from the Department of Mines, Industry Regulation and Safety (DMIRS), structured as a contribution towards 50% of direct drilling costs at the Namban PGE-Ni-Cu-Au focused Project, which is located 80km north of Perth (Figure 1).

Dalaroo Managing Director Harjinder Kehal commented:

“This is a great outcome for both shareholders of Dalaroo and the general mining community. These grants from the Government allow the deployment of capital to discover new deposits and prove up new geological models. This added investment in exploration in the wheat belt region will enhance our ability to find new mineral deposits and meet demand for critical green metals, such as nickel and platinum group elements.”

Manning diamond drill program

The Company plans to drill five diamond core holes (Figures 3 & 4) and the EIS-funded drilling is expected to confirm the presence of magmatic hosted PGE-Ni-Cu-Au and hydrothermal deposits north of Goneville/Julimar and the recent discovery of Au-Cu mineralisation at Angepena, Mynt and Zest located 10 km to the south-east. This work will provide important information on the stratigraphy, lithologies and alteration assemblages related to the identified geochemical and geophysical anomalism at Manning. Subsequently, expanding the current understanding of controls on magmatic Ni-Cu-PGE-Au and hydrothermal/structural hosted mineralisation in this district.

A Programme of Work for the diamond drill programme has been approved by DMIRS and Dalaroo has entered into a land access agreement with the local farmer for the granting of surface mineral rights.

Management Commentary

Dalaroo's Namban Project is an under explored ground package located 150km north-northeast of Perth located within Southwest Terrain of the Archaean Yilgarn Craton ("Craton"). The Project covers a strike distance of 60 km adjacent the crustal-scale Darling Fault which defines the western margin of the Craton (Figure 1).

Manning PGE-Ni-Cu Prospectivity and Potential

Greenfields exploration activity has increased significantly within the Southwest Terrain since the Goneville/Julimar magmatic PGE-Ni-Cu discovery in April 2020, leading to a rerating of the mineral prospectivity of the area. Recent exploration programs in this area have returned additional quality greenfield drill intersections, not only for magmatic nickel sulphide as at Caspin Resources Yarawindah Brook Project (Serradella prospect), but also gold (Au) and copper (Cu) at Minerals 260's Moora Project.

The wide variety of mineralisation intersections further underpins the prospectivity of the Southwest Terrain, however the current geological understanding of the area remains in its infancy. It is important to note the common pathway leading to these new greenfields drill intersections was the testing of surface multi-element surface geochemistry anomalism aligning with coincident geophysical anomalies.

There has been no previous drilling completed at the Manning Prospect and its surrounds to date. All previous exploration activities have been completed in the Bindi Bindi area located to the east. To the north and south of the Manning prospect, historical exploration was centered on the search for talc deposits in what is termed the "Moora Talc Belt".

No modern systematic exploration has been undertaken over Namban area for PGE-Ni-Cu-Au until the recent work completed by Dalaroo. The geology of the Project area comprises the Proterozoic age Moora Group rocks, which occur in a strip between the crustal scale Darling Fault and the Archaean granite gneisses in the east. The main rocks of the Moora Group that outcrop comprise, Billeranga Sub-group – Dalaroo Siltstone and Coomberdale Sub-group – Noondine Chert. The Billeranga Subgroup contains volcanoclastic components postulated to have been deposited during a failed Proterozoic Rift. The Dalaroo Siltstone unconformably overlies the Archean crust at a shallow angle. Within the Archaean felsic gneiss package, zones of hematite +/- epidote +/- chlorite alteration have been observed. The Manning PGE-Cu-Ni-Au anomaly lies on or near the terrain boundary between Archaean age gneisses and mafic rocks and the Billeranga Subgroup Dalaroo Siltstone to the west.

Newly acquired generative datasets and encouraging results achieved include detailed drone "UAV" surveys which have identified multiple magnetic anomalies. Systematic auger geochemical sampling at Manning, spaced on a pattern of 100 X 50m and 200 X 50m, has led to the recognition of a large coincident PGE-Cu-Ni-Au anomaly which covers an area of 2 km X 0.5 km, which remains open along strike. The palladium (Pd) anomaly with a peak value of 28ppb is coincident with Cu (peak value of 605 ppm) and Ni anomalism (peak value of 206 ppm) (Figure 2).

At Manning, Au values up to 43ppb occur in the west, complementing first phase soil geochemical Au values of up to 224ppb in the east. A Dipole Dipole Induced Polarisation (DDIP) survey of 6.8 line km has delineated a number of high chargeability IP anomalies which are postulated to represent a disseminated sulphide body at depth. The Manning PGE-Ni-Cu- Au, anomaly overlies a coincident induced polarisation (30mV/V conductive) response along the edge of a positive magnetic "intrusive like" feature (Figures 4 & 5). The combination supports the Project's prospectivity for either magmatic intrusion PGE-Ni-Cu deposits or potentially, a hydrothermal style variant or phase in a likely mafic intrusive host rock.

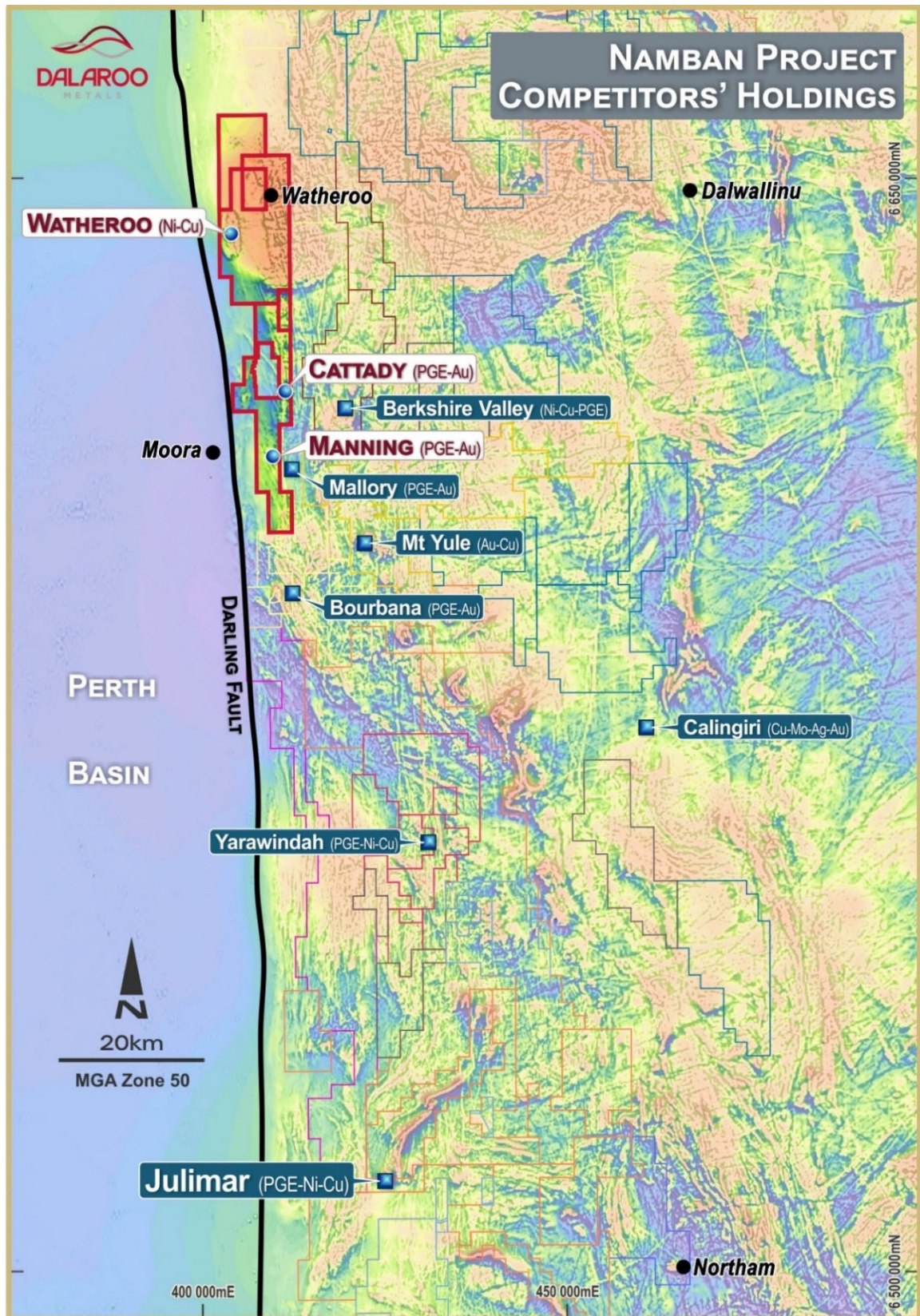


Figure 1: Namban Project Location and competitor map

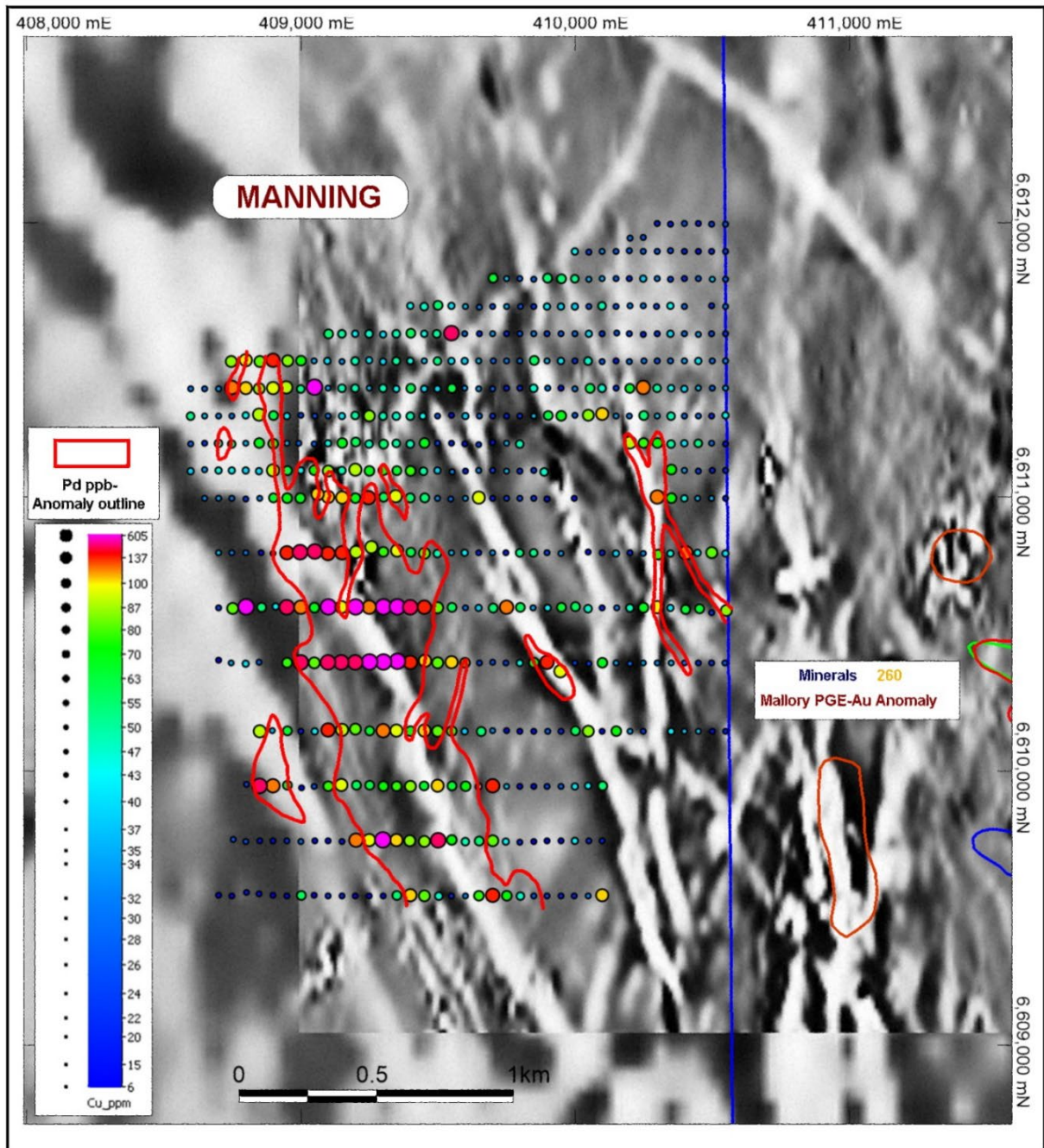


Figure 2: Manning auger geochemical sampling – Cu anomalism with Pd anomaly outline.

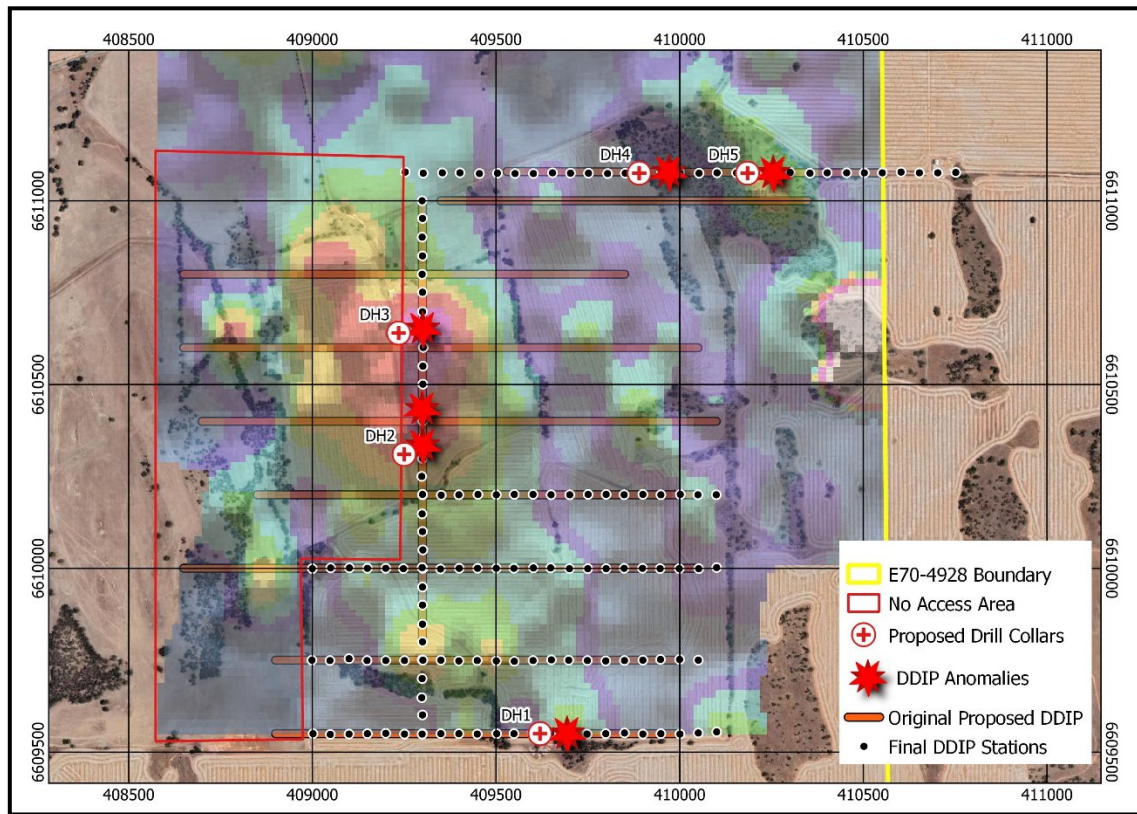


Figure 3: Manning IP survey with final DDIP traverses over Ni geochem anomalies

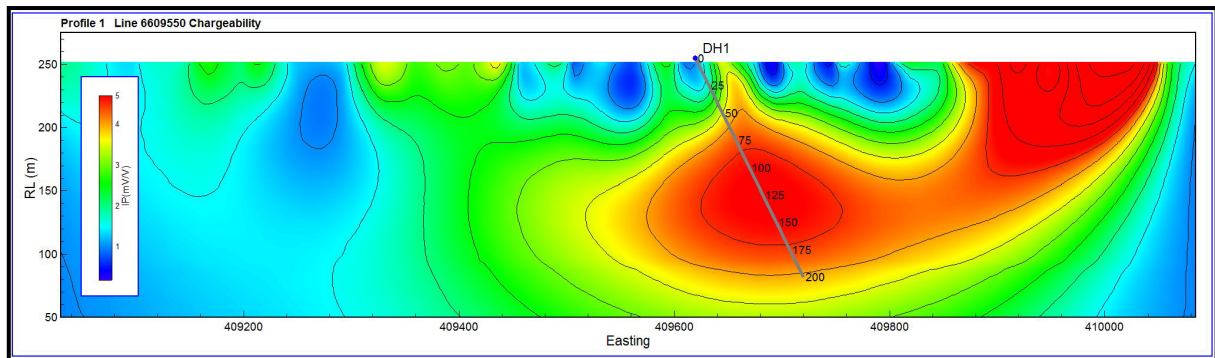


Figure 4: Manning, Line 1 – IP inversion results highlighting bedrock chargeability anomaly with proposed drill hole DH1.

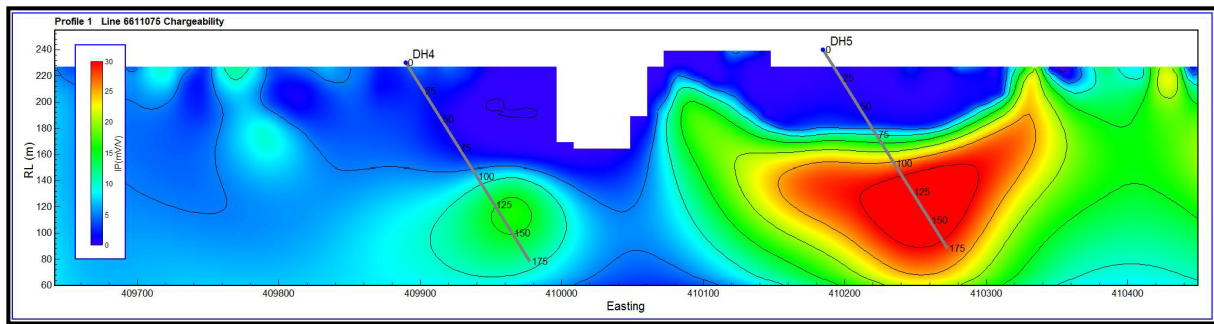


Figure 5: Manning Line 9 - IP inversion results highlighting bedrock anomaly with chargeability of up to 30 mV/V and proposed drill holes DH 4 and DH5.

Next Steps at Namban Project

Manning

At Manning, the consulting geophysicist, Core Geophysics, has recommended additional IP as per the original planned survey, when full access is available in late November 2022.

This will further validate the chargeable anomalies with diamond drill testing for primary sulphide PGE-Ni-Cu-Au mineralisation at Manning to be undertaken thereafter during December 2022 and or early March Quarter 2023.

Watheroo

In addition, Dalaroo proposes to undertake systematic geochemical sampling over the prominent 7 km long by 3 km wide magnetic anomaly considered to represent a mafic intrusive and thought to be a "Chonolith" prospective for Ni-Cu deposits once land access agreements and approvals are in place. Dependent on receiving positive results from soil geochemical sampling, AC or RC drilling and ground geophysical surveys, such as EM, will be planned.

ENDS

For more Information:

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

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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 Practising 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.

Key References

****PGE: Platinum Group Elements – palladium (Pd) and platinum (Pt)**

****Copper (Cu)-Nickel (Ni)-Gold (Au)**

CPN.ASX: 7 July 2022 Serradella PGE-Ni-Cu Prospect Growing with Early Results

MI6.ASX: 11 July 2022 Outstanding new intercept of 13m @ 3.3g/t gold confirms significant exploration potential at Moora

DAL.ASX: 11 April 2022 Namban Project Exploration Update

DAL.ASX: 20 June 2022 Multiple IP anomalies at Manning, Namban Project

About the Namban Project

Namban Project comprises an under explored ground package totaling 437km² located in the mid-north part of the Western Australian wheatbelt region, deemed by Dalaroo to be prospective for magmatic intrusion related Ni-Cu-PGE deposits. Project tenements cover a strike distance of 60 km, adjacent to the crustal-scale Darling Fault, on the western margin of the Archaean Yilgarn Craton. The Company has a 100% controlling interest comprising six tenements extending from the townships of Moora in the south to Three Springs in the north (Figure 6).



Figure 6: Namban Project tenements location map.