New REE Zone Defined at Lyons River Gascoyne Province

Highlights

- **Strong Rare Earth Element (REE) soil anomaly delineated with coincident phosphorus and significant low level Niobium (Nb).**
- **REE anomalism coincides with a large NW 2km strike length high thorium anomaly identified in radiometric imagery.**
- **REE anomaly in a magnetic low adjacent to a discordant/oblique (NE-trend) magnetic anomaly – compatible with relationships seen at Kingfisher/Hastings**
- **Surrounding potassium anomalism possibly compatible with carbonatite fenitisation alteration haloes.**
- **Sampling programs conducted at Marloo River and View Hill prospect areas have outlined pegmatite swarms extending across a 9km X 6km zone with potential for lithium.**
- **Dalaroo will commence 2023 Lyons River field operations during April.**

Dalaroo Metals Ltd (**ASX: DAL,** "Dalaroo" or "Company") is pleased to announce new results from its systematic first pass orientation soil geochemical sampling relating to Rare Earth Elements (**REE**) prospectivity at the View Hill area in the Lyons River Project in the Gascoyne region of Western Australia (Figures 1 and 5). Sampling has only been completed on three lines with a total of 207 samples collected at 100m intervals (Figures 2 and 3).

Dalaroo's Managing Director, Harjinder Kehal, commented:

"We are excited to have delineated a soil geochemical anomaly with good results for the heavy end of the rare earths spectrum, for example up to 1,043 ppm Total Rare Earths Oxides (TREO), on the first ever sampling program on the eastern side of our Lyons River Project. This was coincident with a two kilometre strike length Thorium anomaly. Results from the follow-up systematic soil geochemical and rock chip sampling at View Hill will dictate the next phase of exploration activities including drill testing."

"Heavy rare earths are important because they play a key role in emerging technology including electric vehicles, smart phones and solar panels. To have significant levels of TREO in first ever soil sampling program at View Hill area is a compelling reason to conduct more exploration," Mr Kehal said.

Technical Commentary

A strong REE soil anomaly which coincides with a large 2km strike length north-west striking high thorium anomaly observed in radiometrics imagery data now highlights a third REE target at the Lyons River Project, in addition to the Marloo River and Gamma areas delineated during the 2022 field season (Figures 1 to 3).

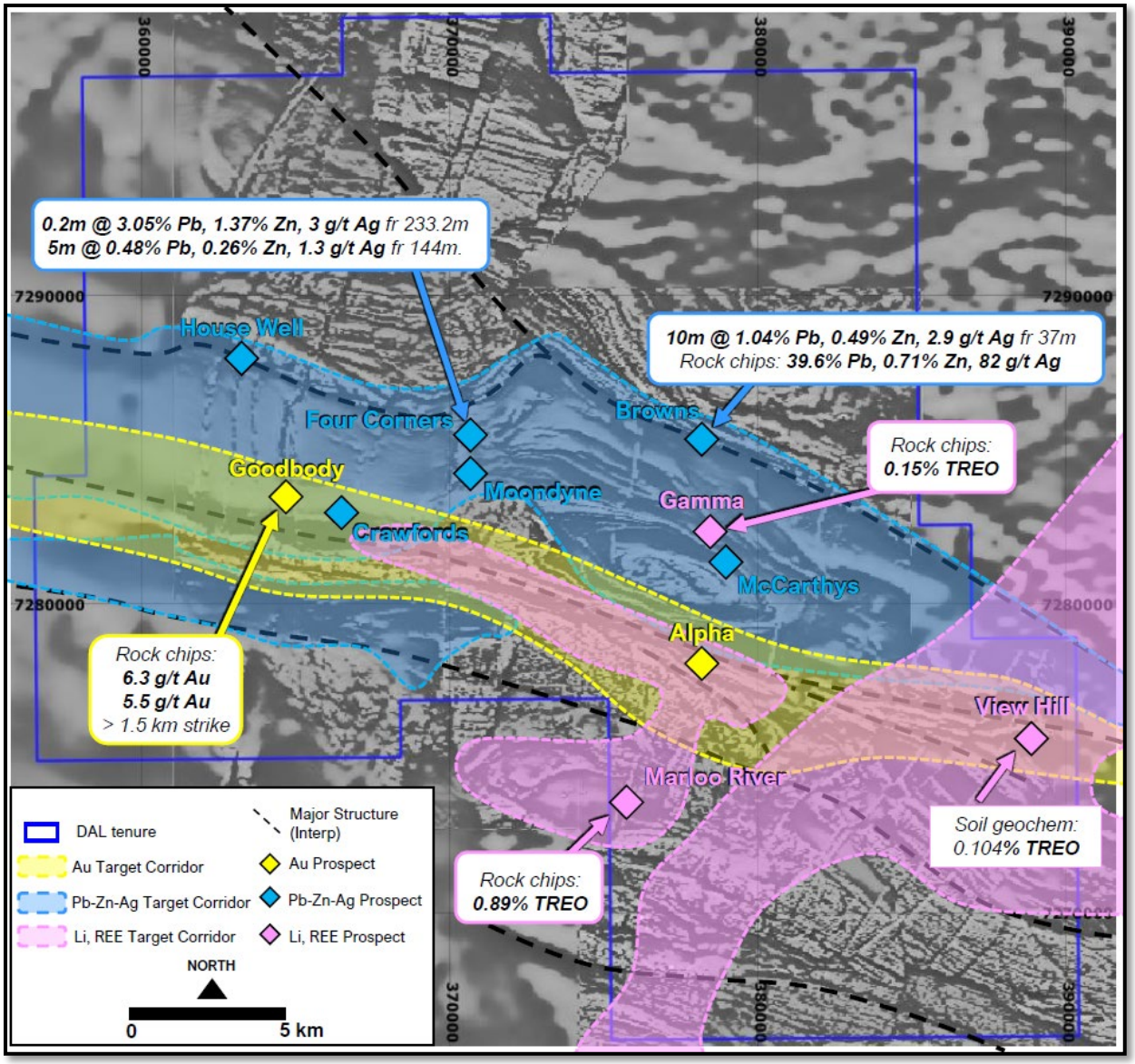

Figure 1: Lyons River Project – REE and Lithium potential corridors

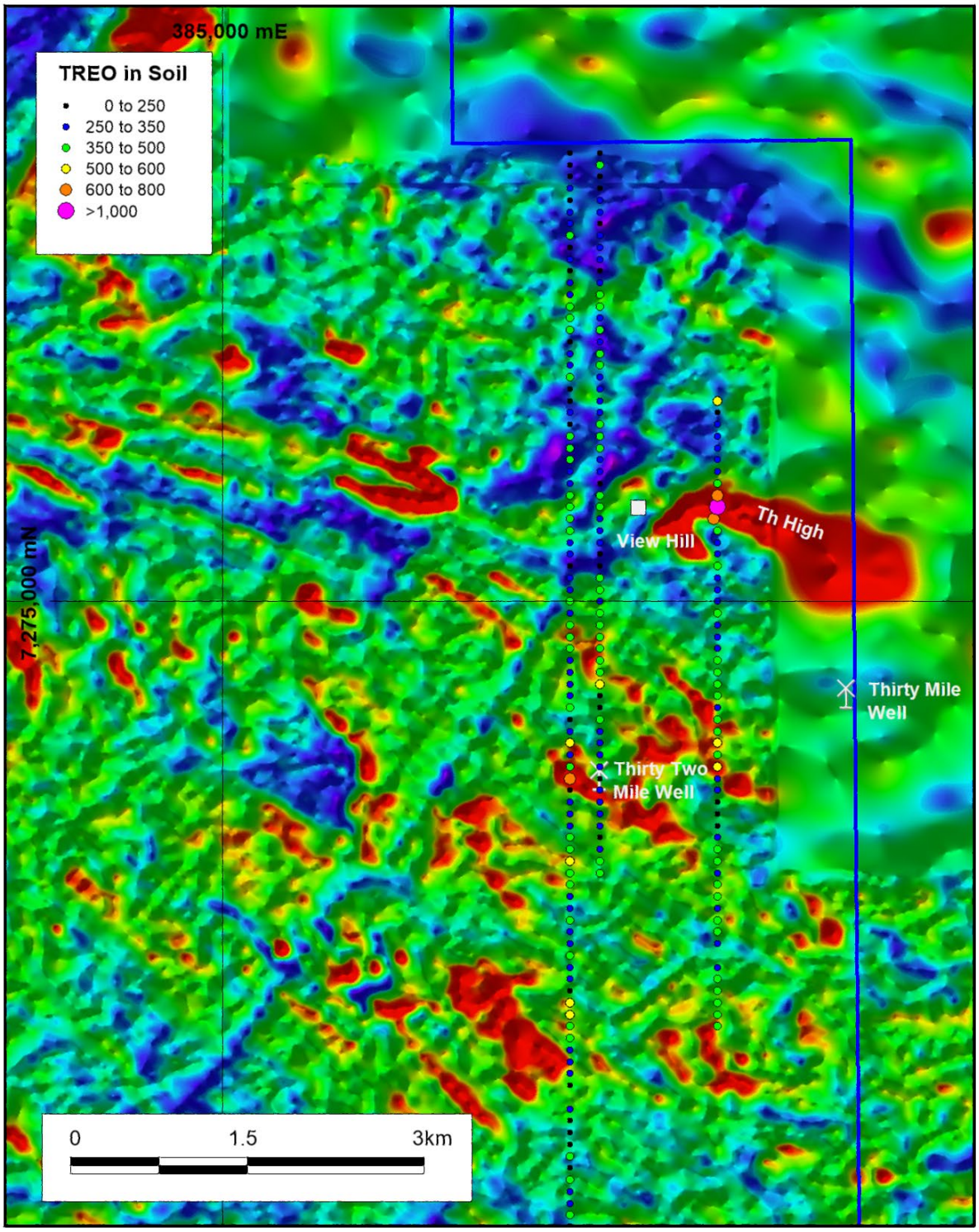

Figure 2: TREO ppm on radiometrics Th (note coincident large Th anomaly with >800ppm TREO anomaly).

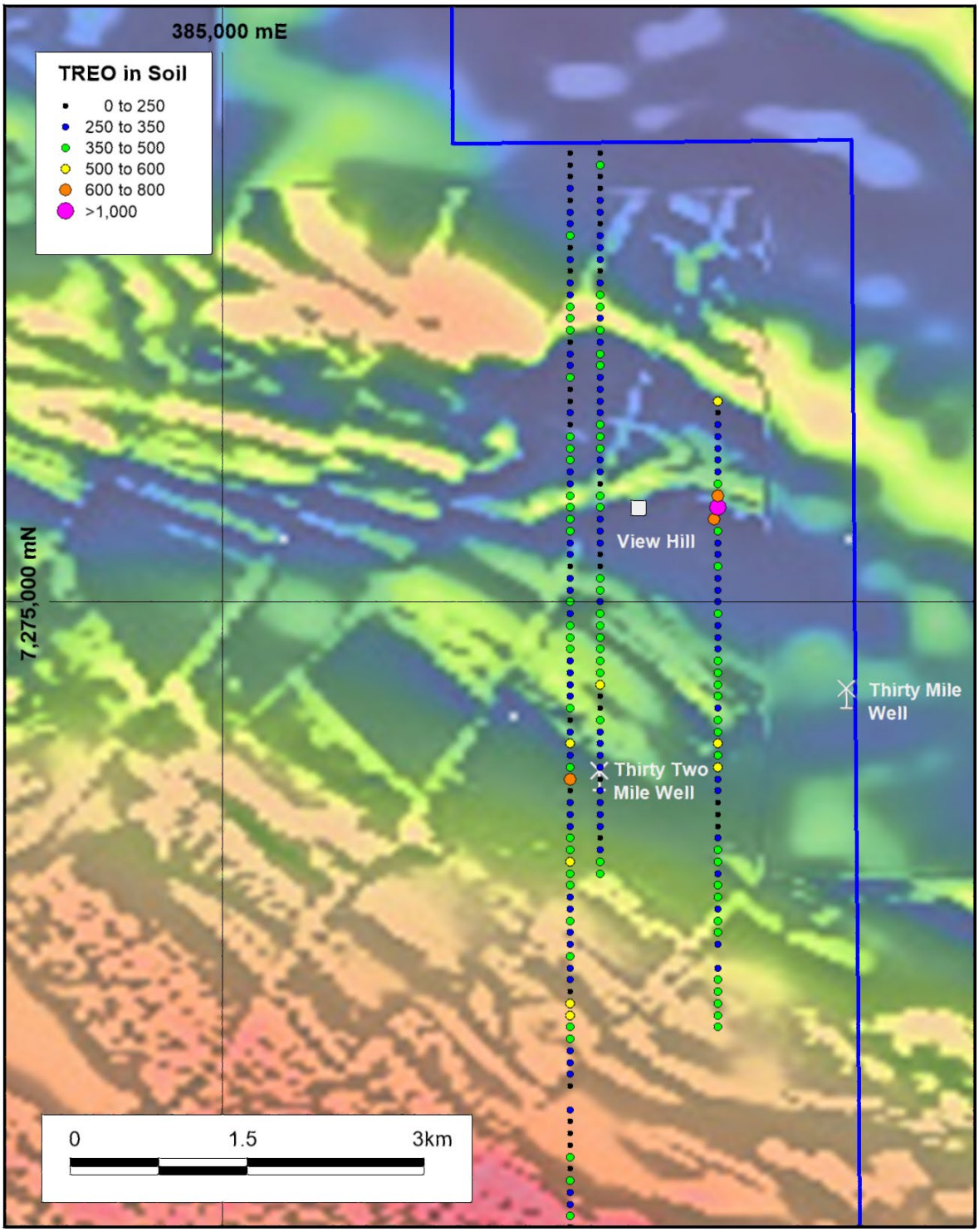

Figure 3: View Hill REE anomalism on magnetics image.

Next Steps

With the conclusion of the wet season in the Gascoyne region, preparations are well underway for Dalaroo to commence field operations during April 2023 with the mobilisation of its field camp and personnel to the Lyons River Project in Western Australia.

REE Potential

Exploration programs planned for the 2023 field season include completion of its systematic soil geochemical programs at View Hill and extension soil geochemical programs at Marloo River prospect where a REE soil/rock target has been delineated with peak value of 0.89% TREO (Figure 4).

First pass drilling programs are proposed to test targets at Marloo River during 2023. Results from the systematic soil geochemical and rock chip sampling at View Hill will guide the next phase of exploration activities including drill testing.

Lithium Potential

As announced on 1 December 2022, at **Marloo River**, soil geochemical sampling campaigns (100m x 250m sample spacing) during 2022 revealed zones of elevated REEs (up to 1278 ppm TREO) and Li (up to 93.5 ppm; (Figure 4). Within the vicinity of soil samples containing >1000 ppm TREO and >90 ppm Li, an outcropping feldspar-biotite-rich pegmatite body was rock chip sampled and returned assay values of 0.89% TREO and 215 ppm Li.

In addition, at Marloo River, detailed mapping and representative rock chip sampling of pegmatites will be completed across the prospect area. Whole rock geochemistry of the various pegmatite bodies and any significant internal zonation may then be assessed for a potentially large-scale rare metal mineralization system at Marloo River (Figure 4).

In the **View Hill** pegmatite zone, regional scale north-south oriented 100m-spaced soil sampling transects will assess geochemical zonation and, therefore, trends in fertility and rare metal/Li prospectivity across the large 9km x 6km area. It is expected that definition of such geochemical trends will aid in vectoring towards high-grade rare metal mineralization at the deposit scale.

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. Recent field mapping during the second half of 2022 have confirmed that the granites and pegmatites of the TTS have also intruded the host stratigraphy of the Lyons River Project tenements (Figure 4).

Selective reconnaissance rock chip sampling completed at View Hill of the granitic pegmatites has demonstrated whole rock geochemistry that is considered highly fertile for LCT-type pegmatites associated with Li mineralization (Figure 4). Assays from the pegmatite swarm that extends across a 9km X 6km area have returned highly anomalous values of 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 182 ppm Sn. Rock chip sampling of pegmatites in other targeted pegmatite swarm areas, west of View Hill, has returned significant Ta and Nb values of 116ppm and 329ppm respectively with anomalous Rb of 904ppm.

Dalaroo's lithium anomalous rock chip results targets are located approximately 22km south-west of the Yinnetharra Lithium Project. The Yinnetharra Lithium Project was recently acquired by Red Dirt for an initial purchase price consideration of $AUD15 million, following significant drill intersections that included 23m @ 1.02% Li_2O (ASX: RDT -See ASX: Announcement from 12 September 2022).

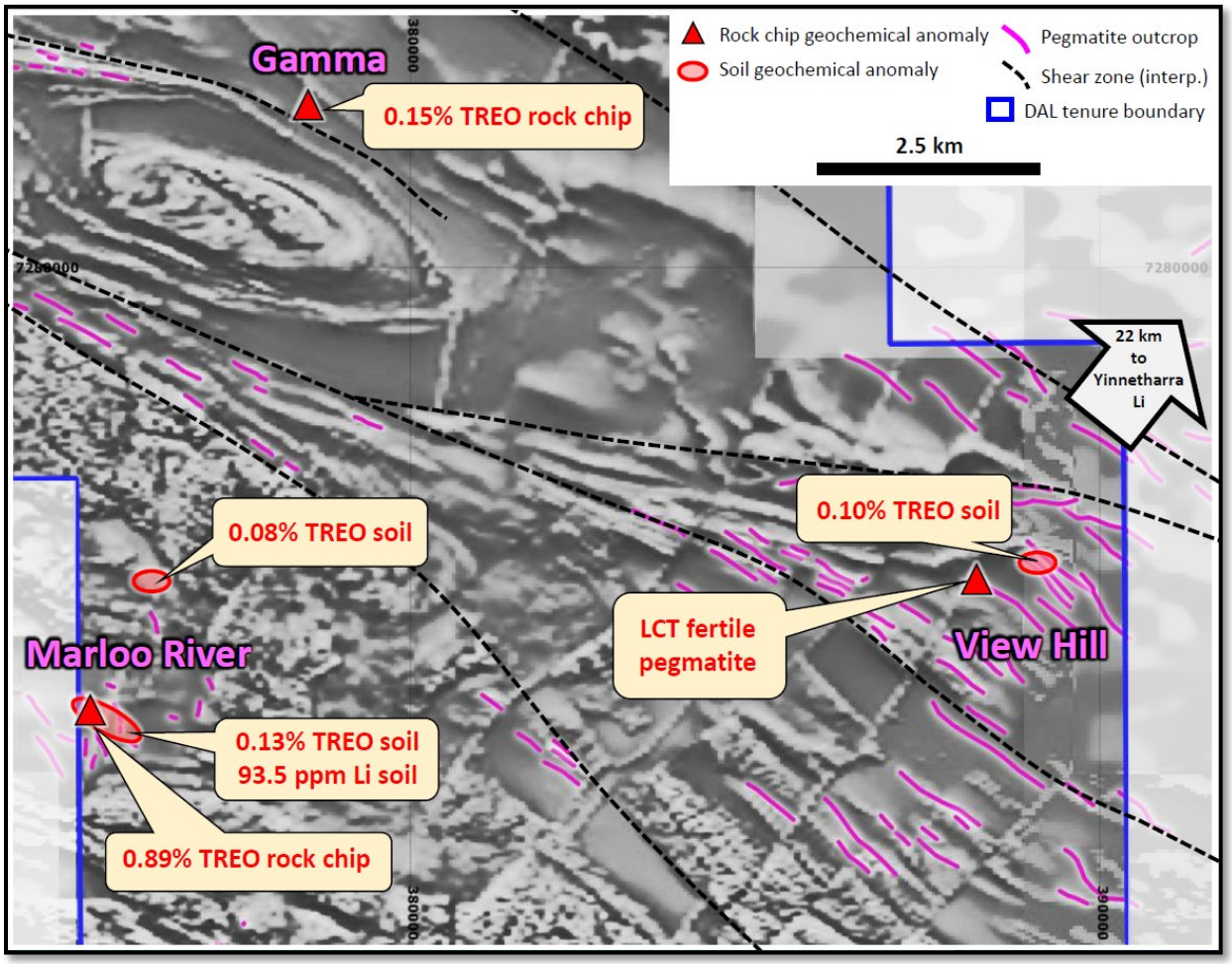

Figure 4: Lyons River Project – Marloo River and location of anomalous TREO geochemical results, and View Hill with location of samples indicating fertile pegmatite and granite areas.

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.

Table 1: Soil goechemical sample locations and anomalous results of REE analyses expressed as TREO ppm

Easting	Northing	Sample_ID	TREO	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
387950	7271500	LRS4228	500.5	223.6	7.3	3.7	1.9	9.5	1.3	97.1	0.5	77.8	22.4	12.3	1.3	0.5	38.0	3.5
387950	7271600	LRS4229	517.6	238.3	6.7	2.9	1.7	10.4	1.1	101.1	0.4	82.1	23.1	13.5	1.3	0.4	32.0	2.6
387950	7273500	LRS4243	643.0	319.4	4.8	2.0	1.4	8.1	0.8	143.1	0.3	94.7	29.6	12.9	0.9	0.2	23.1	1.8
387950	7272800	LRS4251	552.1	239.5	8.5	4.7	2.0	10.4	1.6	110.4	0.7	81.6	24.2	13.0	1.5	0.6	49.0	4.4
389200	7273600	LRS4357	575.6	270.2	6.5	2.5	1.4	11.5	1.0	114.5	0.3	92.4	26.6	15.9	1.4	0.3	28.8	2.2
389200	7273800	LRS4359	511.6	235.9	6.9	2.6	1.4	10.8	1.1	99.2	0.3	80.7	23.2	14.1	1.4	0.3	31.2	2.3
389200	7273900	LRS4360	368.5	165.8	5.1	2.2	1.3	8.5	0.8	69.9	0.3	60.3	16.7	10.4	1.0	0.3	23.6	2.1
389200	7275800	LRS4379	1042.7	482.8	12.9	5.6	2.4	18.9	2.1	222.8	0.6	156.3	45.1	24.6	2.4	0.7	60.4	5.1
389200	7275900	LRS4380	614.6	283.8	7.3	4.2	2.0	12.4	1.2	124.3	0.3	98.0	28.2	15.7	1.5	0.4	32.9	2.4
389200	7276700	LRS4382	530.1	238.3	7.6	2.9	2.0	12.7	1.1	98.3	0.4	87.9	24.2	16.5	1.6	0.3	33.9	2.4
388200	7274400	LRS4419	393.1	176.9	5.3	2.6	1.4	8.8	0.9	75.5	0.4	62.2	17.5	11.1	1.1	0.3	26.4	2.6

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.

Key Reference:

Segue Resources Ltd (renamed Arrow Minerals Ltd) (ASX: AMD – ASX announcement 20 September 2017, Assays confirm lithium discovery at the Malinda Project

Red Dirt Metals Limited (ASX: RDT – ASX announcement 12 September 2022, Yinnetharra Lithium Project Acquisition

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 5).

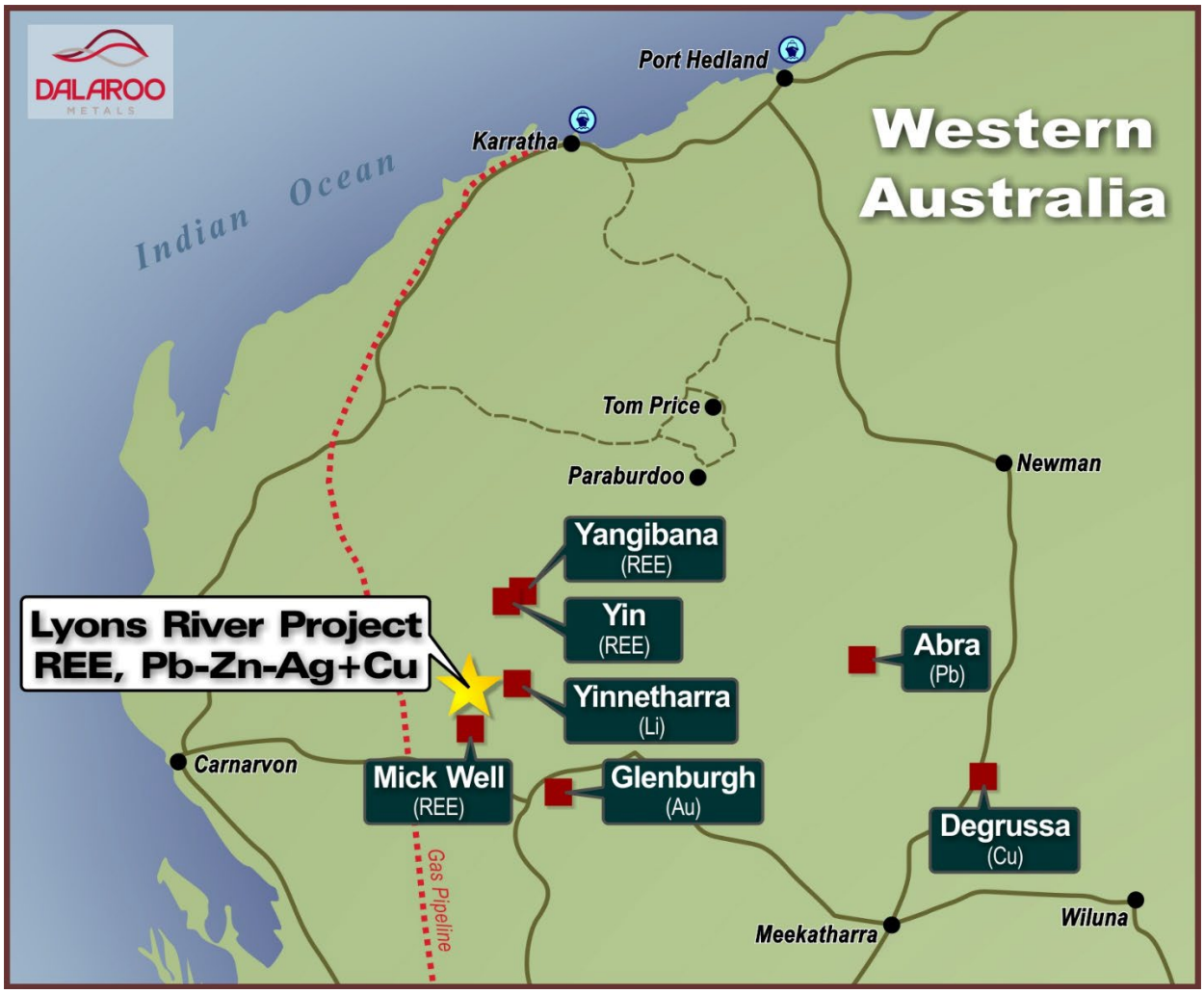

Figure 5: Lyons River Project location diagram

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 sampling Soil samples are generally homogenised by the collection process. Entire sample was submitted for sample prep and assay. 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. Soil 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.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *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. No drilling results reported. No drilling results reported.

Criteria	JORC Code explanation	Commentary
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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Sample type and landform/regolith settings were recorded, and geo-tagged photos of samples and settings taken. No drilling results reported.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Soil samples were sieved to collect the -2 mm fraction. All samples were dry. 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 There was no sub-sampling Soil sampling completed on a regular grid line spacings to ensure representative sampling of area being assessed. Entire 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 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 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 250m and 500m X 100m spacing based on geology/structural framework. 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.* *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.*	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 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 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.