

Dalaroo Successfully Raises \$1.1 million

Highlights

- Firm commitments received for a placement to raise up to \$1.1M (before costs) at \$0.05 per share with a 1 free attaching option for every 2 shares subscribed for under the placement (exercisable at \$0.08, expiring 2 years from their issue date and proposed to be quoted on ASX).
- Placement was well supported by new and existing sophisticated investors, including members of the Board, with Dalaroo Directors to participate in the Placement for a total of \$150,000 (subject to shareholder approval).
- Proceeds to be used to progress the next phase of Dalaroo's exploration strategy at its Lyons River gold and REE/lithium potential Project in the Gascoyne Province and Namban (Ni-Cu-PGE-Au) Project in the West Yilgarn Province.
- Exploration, at Lyons River Project including maiden aircore drill program to be undertaken at the Goodbody gold prospect, sampling to continue at the newly identified REE carbonatite targets and lithium potential LCT fertile 9km x 6km pegmatite swarm.

Dalaroo Metals Ltd (ASX: DAL, "Dalaroo" or "Company") is pleased to announce a capital raising of up to \$1.1 million to continue the next phase of exploration across its two "First Mover Advantage" projects in Western Australia at Lyons River (Au, REE and Pb-Zn-Ag) in the Gascoyne Province and Namban (Ni-Cu-PGE-Au) in the West Yilgarn Province.

The Company has received firm commitments for a share placement of 22 million fully paid ordinary shares in the capital of the Company (**New Shares**) at \$0.05 each to raise approximately \$1.1 million (before costs) (**Placement**) comprising:

- 13,450,000 New Shares to existing and new professional and sophisticated investors pursuant to section 208 of the *Corporations Act (Cth)* to raise a total of \$672,500 (**Tranche One**); and
- 8,550,000 New Shares to Directors of the Company and other investors in a second tranche to raise a further \$427,500 which will be subject to shareholder approval (**Tranche Two**).

The Placement includes a free attaching option for every 2 New Shares subscribed for under the Placement (**Attaching Option**), exercisable at \$0.08 each and expiring 2 years from the date of issue and which are proposed to be quoted on ASX. The issue of the New Shares under Tranche Two of the Placement and all the Attaching Options is subject to the Company obtaining shareholder approval at a general meeting expected to be held in or about early July 2023 (**EGM**).

PLACEMENT

The Placement to raise approximately \$1.1 million through the issue of up to approximately 22 million New Shares is to be conducted via two tranches:

- A first tranche of approximately \$672,500 utilising the Company’s available placement capacity under ASX Listing Rule 7.1 and 7.1A (**Tranche One**); and
- A second tranche of approximately \$427,500 which will be subject to shareholder approval at an EGM (**Tranche Two**), comprising:
 - Investors nominated by the Board of up to approximately \$270,000; and
 - Director participation of approximately \$157,500.
- The Placement includes 1 free Attaching Option for every 2 New Shares subscribed for under the Placement (exercisable at \$0.08 each, expiring 2 years from their issue date and proposed to be quoted on ASX). The Attaching Options will be issued subject to shareholder approval at an EGM and are intended to be quoted subject to satisfying ASX requirements.

The New Shares to be issued under the Placement will rank equally with the existing ordinary Shares on issue.

The Placement was not underwritten.

Indicative Placement Timetable	
Event	2023 Time / Date
ASX Announcement/Resume Trading	Tuesday, 30 May 2023
Settlement of Tranche 1 Shares	Friday, 2 June 2023
Expected date of ASX Quotation of Tranche 1 Shares	Tuesday, 6 June 2023
Settlement and allotment of Tranche 2 Shares and the Attaching Options (subject to shareholder approval at the AGM)	Early-July 2023

The Placement will be undertaken in two tranches.

Tranche One will be undertaken within the Company’s existing placement capacity under the ASX Listing Rules, with 8,100,000 Shares to be issued under Listing Rule 7.1 and 5,350,000 Shares to be issued under LR 7.1A. Accordingly, no shareholder approval will be required for the issue of New Shares under Tranche One.

Tranche Two will comprise the issue of up to 8,550,000 Shares to Directors and related parties of the Company and other investors which will be subject to obtaining shareholder approval under ASX Listing Rules 10.11 and 7.1 respectively.

Placement participants will also be entitled to 1 free Attaching Option for every 2 New Shares subscribed for under the Placement. The Attaching Options will be issued subject to shareholder approval at an EGM expected to be held in or about early July 2023. Once the Company has obtained shareholder approval for the issue of the Attaching Options at an EGM, the Attaching Options will be issued by the Company pursuant to a prospectus to facilitate their proposed quotation (subject to meeting the ASX’s requirements).

Allotment of the New Shares pursuant to Tranche One of the Placement is expected to occur on or around 5 June 2023. Further details in relation to the Placement are set out in the Appendix 3B’s released today.

The Placement price of \$0.05 per New Share represents a 19.74% discount to the 5-day volume weighted average price (**VWAP**) of \$0.0623.

The Company confirms that the issue price of \$0.05 per New Share satisfies the requirements of Listing Rule 7.1A.

QA Capital Pty Ltd (**QA Capital**) has acted as Lead Manager to the Placement and will receive a management fee equal to 2.0% of all funds raised under the Placement (plus GST) and a placement fee equal to 4.0% of funds raised under the Placement from clients introduced by QA Capital (plus GST).

Upcoming Work Program

The capital raising will enable the Company to continue exploration programs at the Lyons River Project with potential for gold at its Goodbody prospect and systematic sampling programs of its already defined REE prospects as well the newly identified REE carbonatite target areas.

Sampling to continue at the View Hill 9km X 6km lithium potential Thirty Three Supersuite pegmatite swarm with high LCT fertility.

ENDS

For more Information:

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

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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.

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