

Follow up AC drilling commences at Browns prospect, Lyons River

Highlights

- Focused AC drill program to test compelling 2km long X 1km size lead-zinc-silver BHT target underway
- Browns prospect underpinned by high grade gossanous Pb-Zn-Ag results (up to 39.6% Pb, up to 0.71% Zn and up to 82 g/t Ag) and sulphide Pb-Zn-Ag mineralisation intersected in first-pass AC drilling July 2022 (significant intercept includes 8m @ 1.1% Pb and 2.50g/t Ag).
- Potential for defining high-grade Pb-Zn-Ag mineralization at depth in the Browns prospect area.
- Results from the AC drill program expected during January 2023.

Dalaroo Metals Ltd (“DAL” or “Company”) is pleased to advise that a follow-up focused program of air core (AC) drilling of 2,000m has begun at the Browns prospect, Lyons River Project (“Lyons River” or “Project”) (Figure 1 and 2).

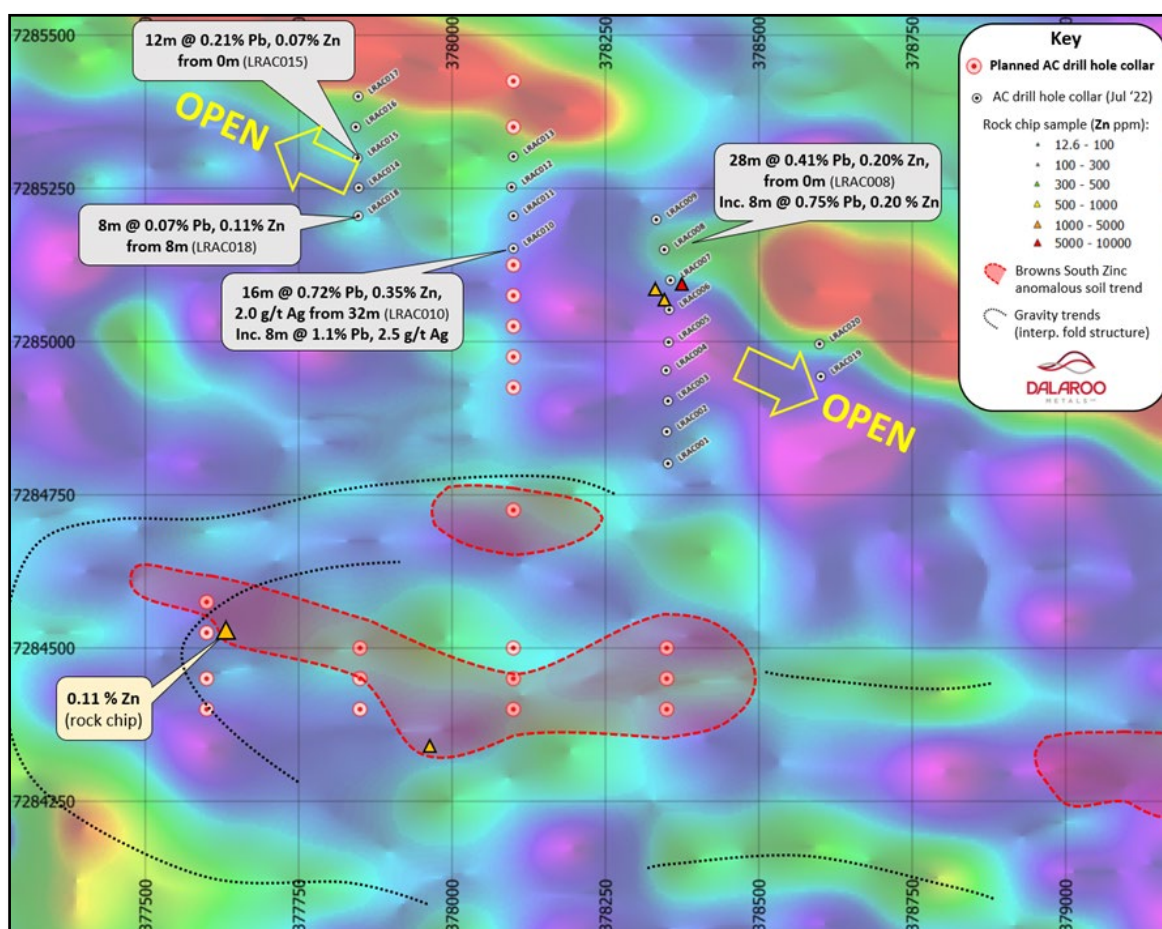


Figure 1: Follow up AC drilling area at the Browns prospect. Note southern Browns untested anomalous Zn geochemical trend coinciding with interpreted fold structure, outlined by 1st Vertical Derivative Bouguer Anomaly Gravity basemap



Figure 2: AC drill rig at Browns prospect

Browns is one of six significant base metal (Pb-Zn) anomalies in soils identified across the 100% owned Lyons River project (703 km²) through staged systematic soil geochemical surveys. Browns represents the second site of Pb-Zn-Ag intersections discovered by bedrock drilling in the Mutherbukin Zone, 5km east of Dalaroo's Four Corners Pb-Zn-Ag prospect (Figure 3). Combined, the anomalous soil base metal zones span a 30 km x 10 km area of Paleoproterozoic basin stratigraphy within the Mutherbukin Zone, Gascoyne Province.

First pass AC drill program had only tested the northern part of the 2 km x 1 km zone of Pb-Zn soil/rock chip anomalism at Browns. Early geological interpretation of the recent drilling results and the available gravity and magnetics data outline an interpreted sub-basin fold or trough structure south of current drilling (Figure 1). Such a structure may represent a deeper portion of the paleo-basin architecture and a favourable environment for formation of prospective host stratigraphy. Significantly, this interpreted structure spatially coincides with elevated lead and zinc in soil and high grade ironstone/gossanous subcrops.

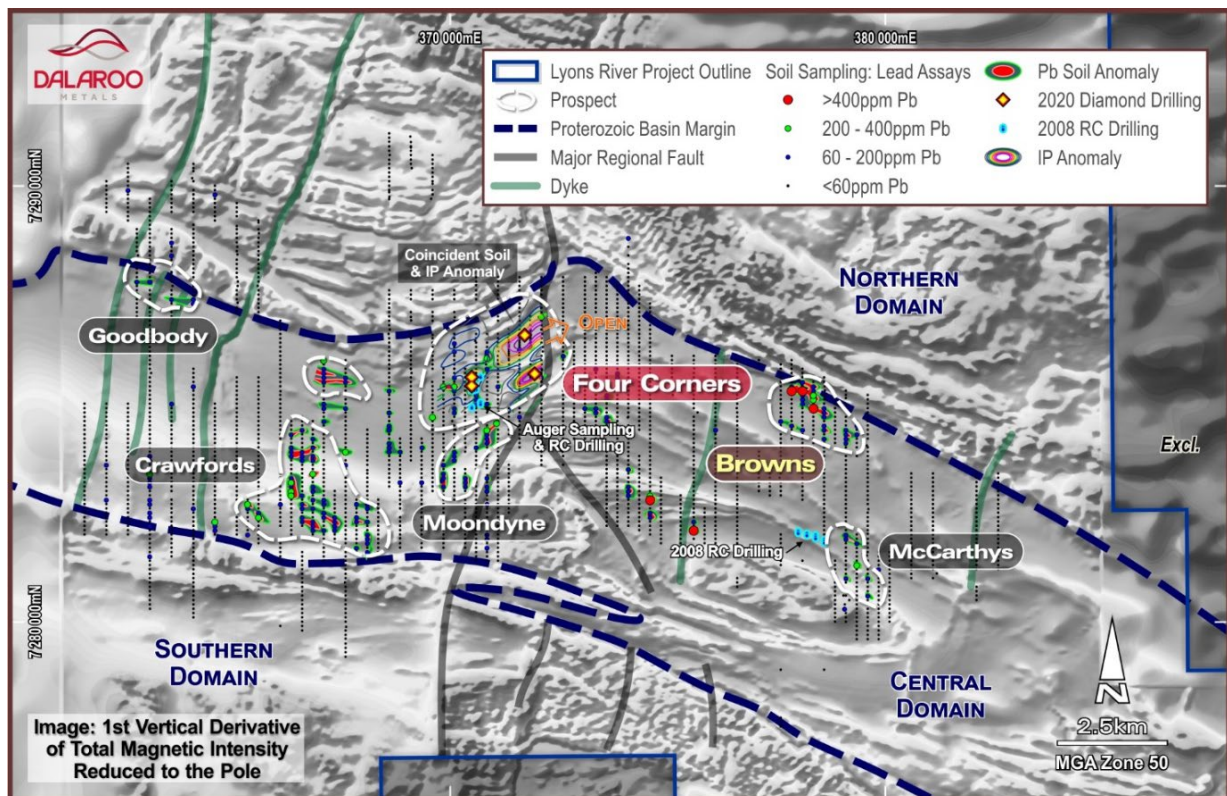


Figure 3: Lyons River, Browns prospect and other five Pb-Zn soil geochemical prospects /targets over greyscale 1 Vertical Derivative image

The Company's follow up AC drill program at the Browns prospect is designed to test the following:

- Up dip and step out from LRAC010 significant intersection of 8m of 1.1% Pb and 2.5g/t Ag.
- Northern limb of interpreted synclinal fold closure defined by detailed gravity, coincident with NW-striking and stratigraphy-parallel trend of anomalous Pb-Zn in soils and rock chips from outcropping ferruginous bands (see Figure 1).
- A NE-trending structural feature adjacent to drilled Pb-Zn-Ag mineralized intercepts, interpreted from gravity/magnetic and aerial imagery datasets
- Untested discrete Zn-in-soil anomalism

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For more Information:

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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.

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

About the Lyons River Project

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

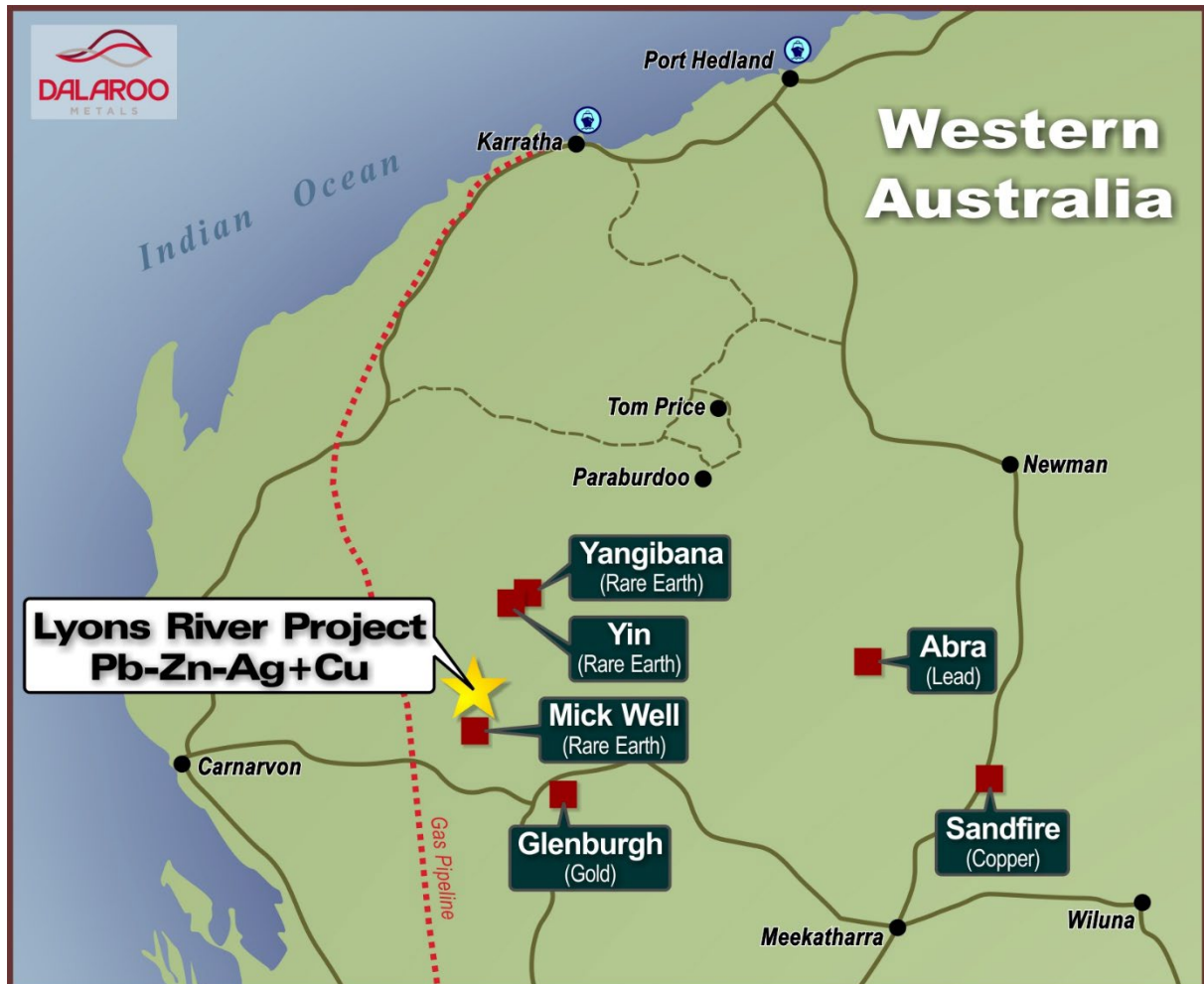


Figure 4: Lyons River Project location diagram

Sweet Spots for BHTs

Geoscience Australia's 2019 study, using *surface wave tomography and a parameterisation for anelasticity at seismic frequencies* shows 85% of world's sediment hosted base metal deposits occur within 200km of the edges of thick lithosphere. The Australian model shows striking correlation between major sediment hosted deposits and edge of thick lithosphere, defined by 170km lithosphere-aesthenosphere boundary (LAB) contour. Lyons River Project is located 156km away from the 170km LAB contour (Figure 5).

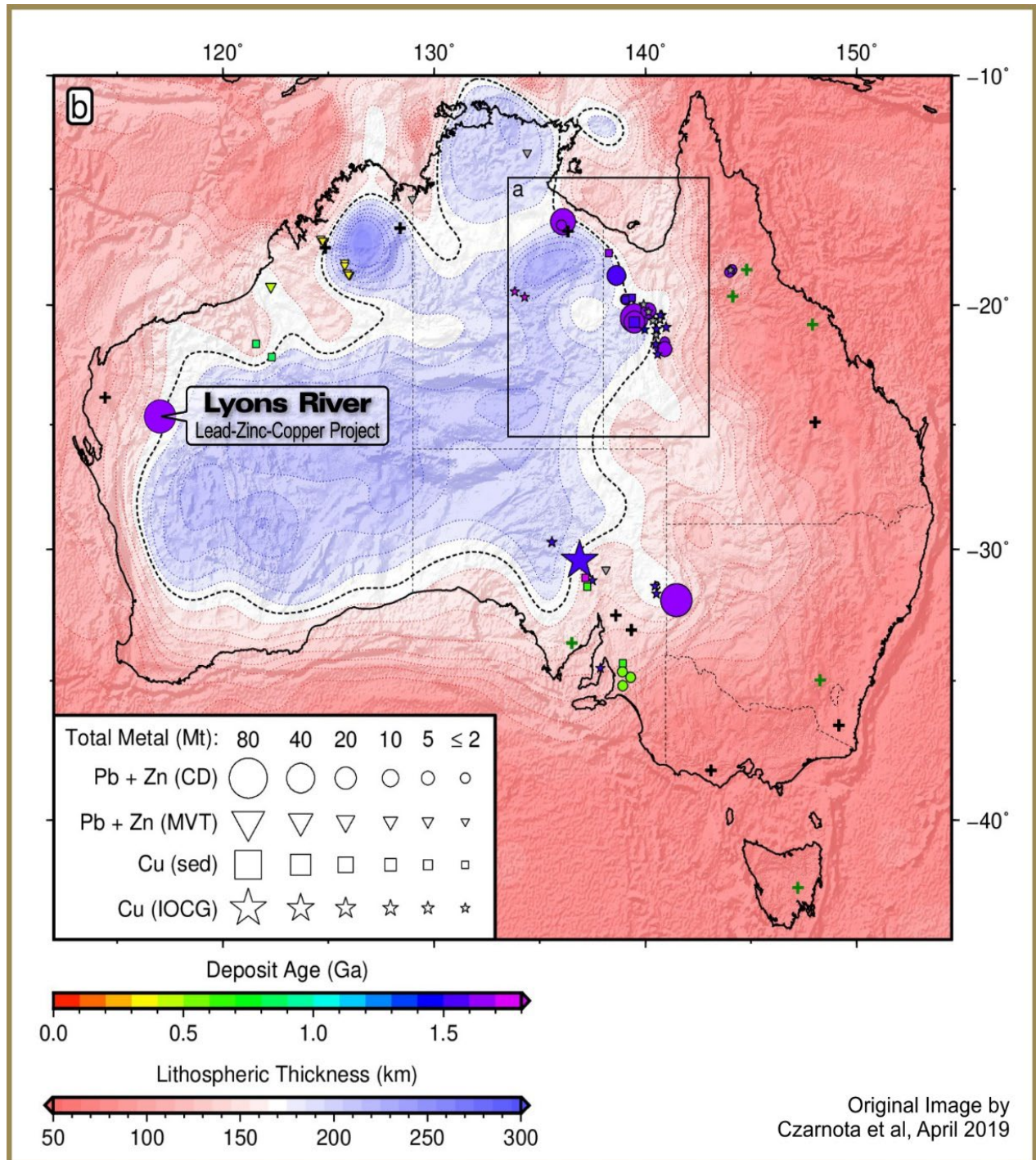


Figure 5: Distribution of BHT and Sediment hosted deposits, function of lithospheric thickness in Australia