
Highlights

Successful IPO and listing

- Dalaroo Metals Ltd successfully listed and commenced trading on the ASX (Code “DAL”) with an oversubscribed IPO raising of \$5.0 million (before costs) managed by Lead Broker CPS Capital Pty Ltd.

Lyons River in the Gascoyne Region of Western Australia

- An Exploration Incentive Scheme (EIS) funded diamond drilling program returned several promising anomalous lead and zinc zones with high-grade intersection of 0.2 m of 3.05% Pb, 1.37% Zn and 3g/t Ag validating a Broken Hill Type (BHT)/Sedimentary Exhalative (SEDEX) deposit model.
- The anomalous intersections are beneath the Four Corners Pb-Zn soil geochemical anomaly and within a 2.5 km-long Induced Polarisation (IP) chargeable zone. Significant down hole sulphide intervals intersected in all four diamond drill holes confirm the IP anomaly. Mineralisation remains open in all directions.
- The Four Corners prospect is one of six regional Pb-Zn soil geochemical prospects identified at Lyons River within a Proterozoic basin setting covering an area of 30 km by 10 km. Generative gravity survey is now completed at Four Corners and Browns and geochemical surveys are underway to better refine prospects and regional targets.
- A new copper trend defined by recent rock chip sampling returned 10.7% Cu and 6 g/t Ag along the northern edge of the IP anomaly. Further infill geochemistry sampling is underway.
- RC drilling will begin during the December 2021 quarter and into 2022 based on recent assay results findings of gravity and geochemical surveys.

Namban in the Wheatbelt Region of Western Australia

- First pass systematic geochemical sampling is underway at Namban over magnetic intrusions.
- Assessment of detailed 50 metre spaced drone airborne magnetics flown early in the September quarter is currently being completed.



Dalaroo Metals Ltd (“Dalaroo” or “Company”) is pleased to provide an update on its activities during the September 2021 Quarter, following the Company’s admission to the official list of the Australian Securities Exchange (ASX) on 28 September 2021.

IPO Listing

Lead broker CPS Capital Pty Ltd (“CPS”) raised five million dollars through a successful IPO that was oversubscribed and closed early. The directors wish to thank CPS and its management in completing the capital raising in a timely and professional manner. The board also wishes to thank all investors who participated in the Offer.

Projects

Lyons River in the Gascoyne Region of Western Australia

Dalaroo’s Lyons River is a strategic (100% owned) land position of 703 km² within the Proterozoic Mutherbukin Zone of the Gascoyne Province. The Company believes the district is an emerging Broken Hill Type (“BHT”) / Sedimentary Exhalative (“SEDEX”) deposit setting.

Assay results from an EIS funded diamond drilling program (ASX release 25 October 2021) validated the geological model for the Broken Hill Type (BHT)/Sedimentary Exhalative (SEDEX) style base metal mineralization (Figure 2 and 3). The four diamond drill holes were funded by a grant from the Department of Mines, Industry Regulation and Safety (DMIRS) based upon the technical merits of a submission and the proposed BHT/SEDEX geological model. Funding of such holes is at the discretion of the DMIRS and is judged by an Industry panel/peer review. The objectives were met with a successful granting of an award of \$125,000.

Drill hole LRDD003 has confirmed that anomalous and higher grade Pb-Zn-Ag intersections are hosted in an interpreted metamorphosed stratabound sequence of pyritic psammitic and pelitic rocks. The IP chargeable anomaly (up to Ms) within the NE zone, strong sulphide zones intersected and corresponding Pb-Zn geochemistry validates and helps support the BHT/SEDEX prospectivity for the Lyons River area.

Dalaroo’s encouraging results are listed below and also detailed in Table 1:

- 1m @ 0.68% Pb, 0.28% Zn and 0.6 g/t Ag from 223 m including **0.2m @ 3.05% Pb, 1.37% Zn and 3 g/t Ag from 223.2 m**
- 1m @ 0.65 % Pb and 0.24% Zn and 1 g/t Ag from 226 m
- 4.9m @ 0.22% Pb from 238.5m including 1 m @ 0.60% Pb, 454 ppm Zn and 1 g/t Ag
- 1m @ 0.57 % Pb and 0.17% Zn and 1 g/t Ag from 273 m

Importantly, assay results are significantly anomalous, offsetting the view they are “low level”. LRDD003 forms an important vector that will guide a targeted exploration effort at the Four Corners and Browns prospects.

Five regional base metal prospects/targets at Lyons River

Systematic soil geochemical sampling, completed by previous explorer Serena Minerals over an area of 22 km by 5 km to 10 km at a spacing of 250 m by 100 m, had delineated five Pb-Zn geochemical anomalies in the prospects (detailed below), in addition to the emerging Four Corners prospect at Lyons River (Figure 1):

1. Browns – 2 km by 1 km Pb-Zn soil geochemical anomaly (peak values of 900 ppm Pb and 264 ppm Zn)
2. Crawfords – 3 km by 2 km Pb-Zn-Mn soil geochemical anomaly (peak values of 350 ppm Pb and 214 ppm Zn)
3. Moondyne – 2 km by 1 km Pb-Zn soil geochemical anomaly (peak values of 284 ppm Pb and 288 ppm Zn)
4. McCarthy – 1 km by 0.5 km Pb-Zn soil geochemical anomaly (peak values of 249 ppm Pb and 201 ppm Zn)
5. Goodbody – 1 km by 0.5 km Pb-Zn soil geochemical anomaly (peak values of 429 ppm Pb and 197 ppm Zn)

Further infill geochemistry sampling is underway at all of the above prospects/ targets.

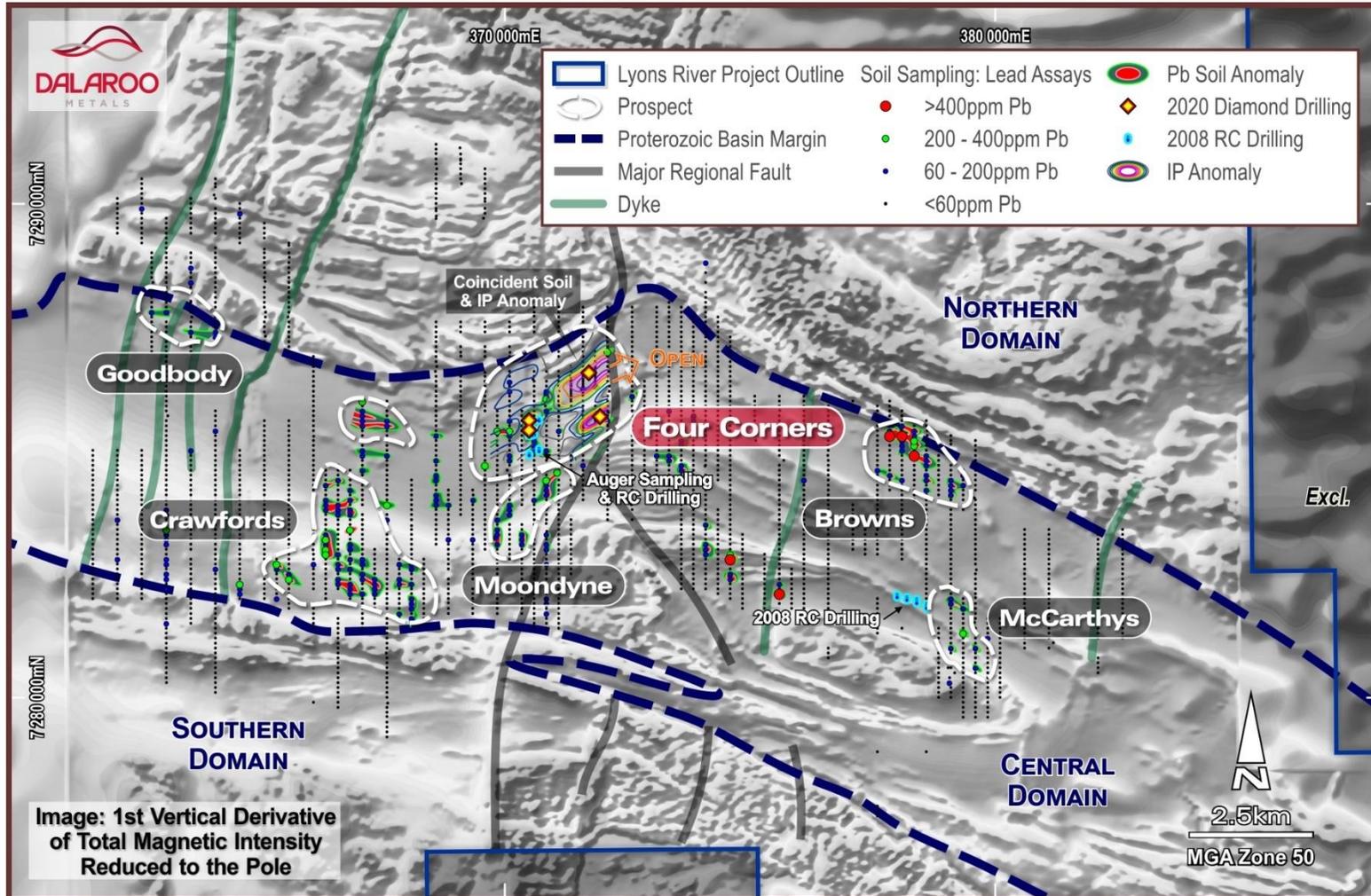


Figure 1: Lyons River, Four Corners prospect and new five Pb-Zn soil geochemical prospects/targets

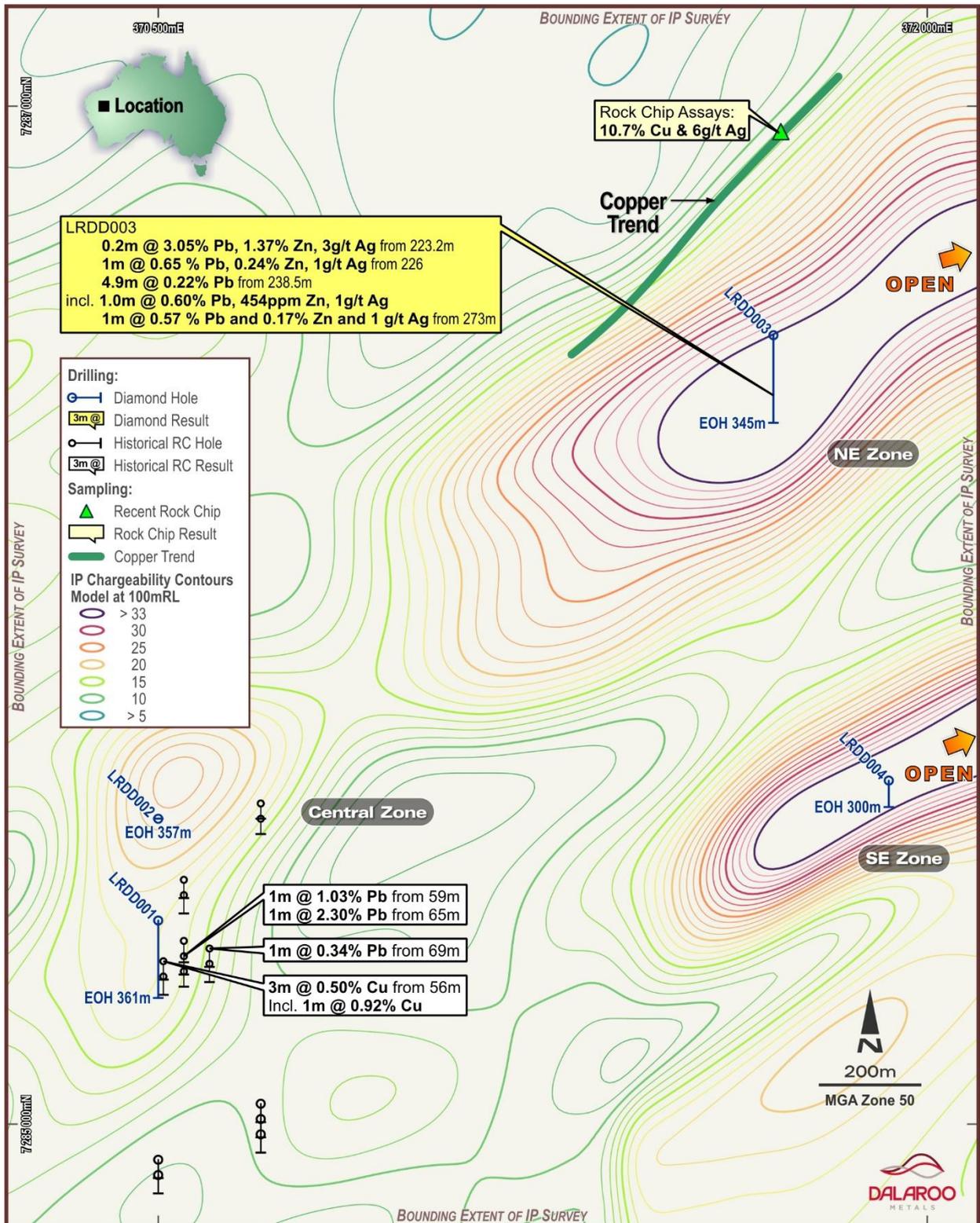


Figure 2: Lyons River Project, drill hole location map with historical holes, recent rock chip sample results and diamond drill holes

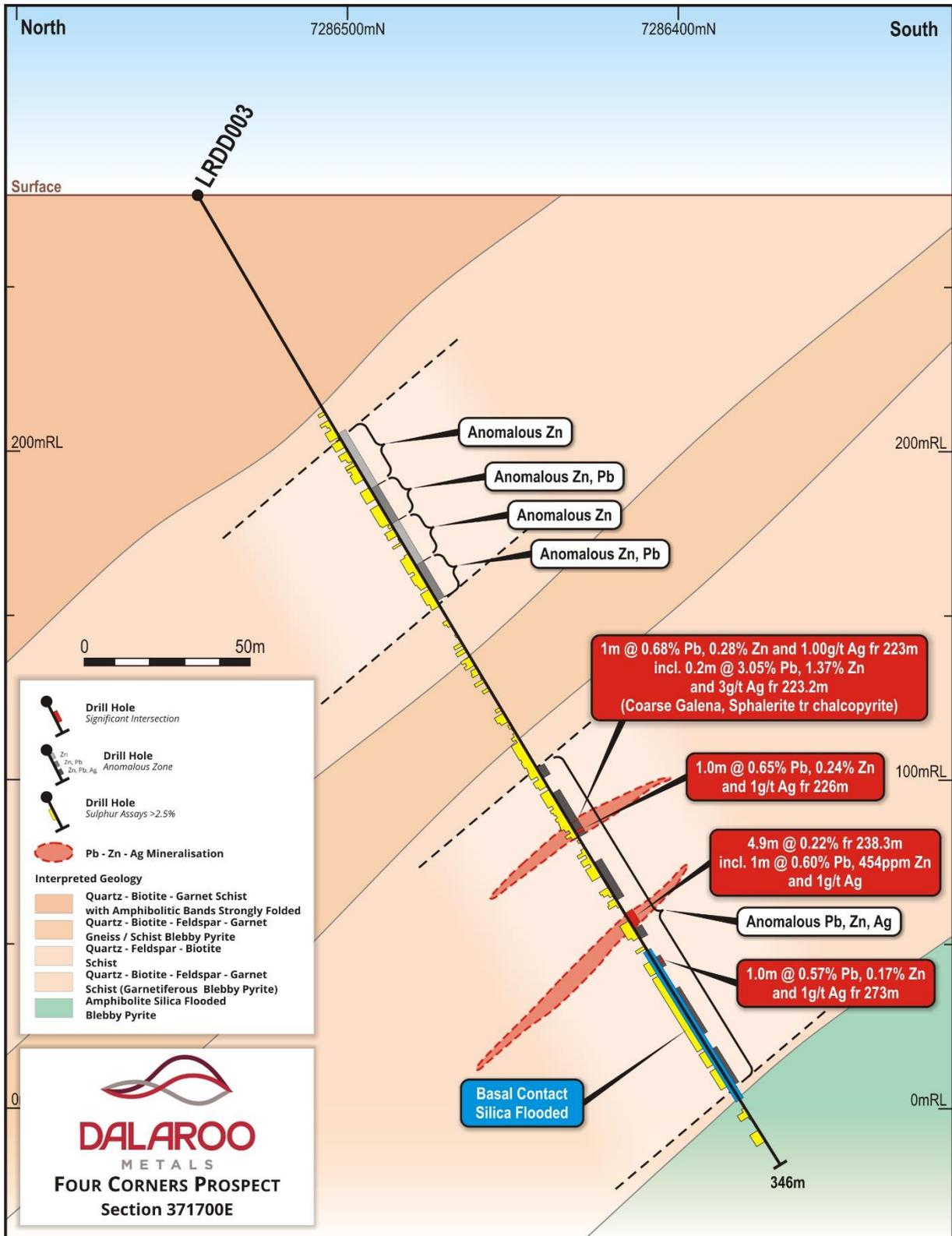


Figure 3: Four Corners prospect drill section 371700E with drill hole LRDD003

Four Corners

Geological logging of the drill core, subsequent petrological studies and pXRF spectral analyses have highlighted a signature BHT/SEDEX lithological package with interpreted psammitic and pelitic rocks that have undergone high grade metamorphism and comprise quartz-biotite-garnet-cordierite-sillimanite (Figure 3). These metamorphosed rocks have subsequently been intruded by the Davey Well granite batholith and pegmatite dykes.

Significant intervals of disseminated/blebby pyrite occur within the IP chargeability zones which were the foci of the completed diamond drilling programme. In addition, silicified zones with accompanying pyrite and chlorite, pyrrhotite and weak-to-moderate hematite alteration, were logged. Coeval galena and sphalerite have been observed with trace amounts of chalcopyrite in the holes (Figures 4A and B).

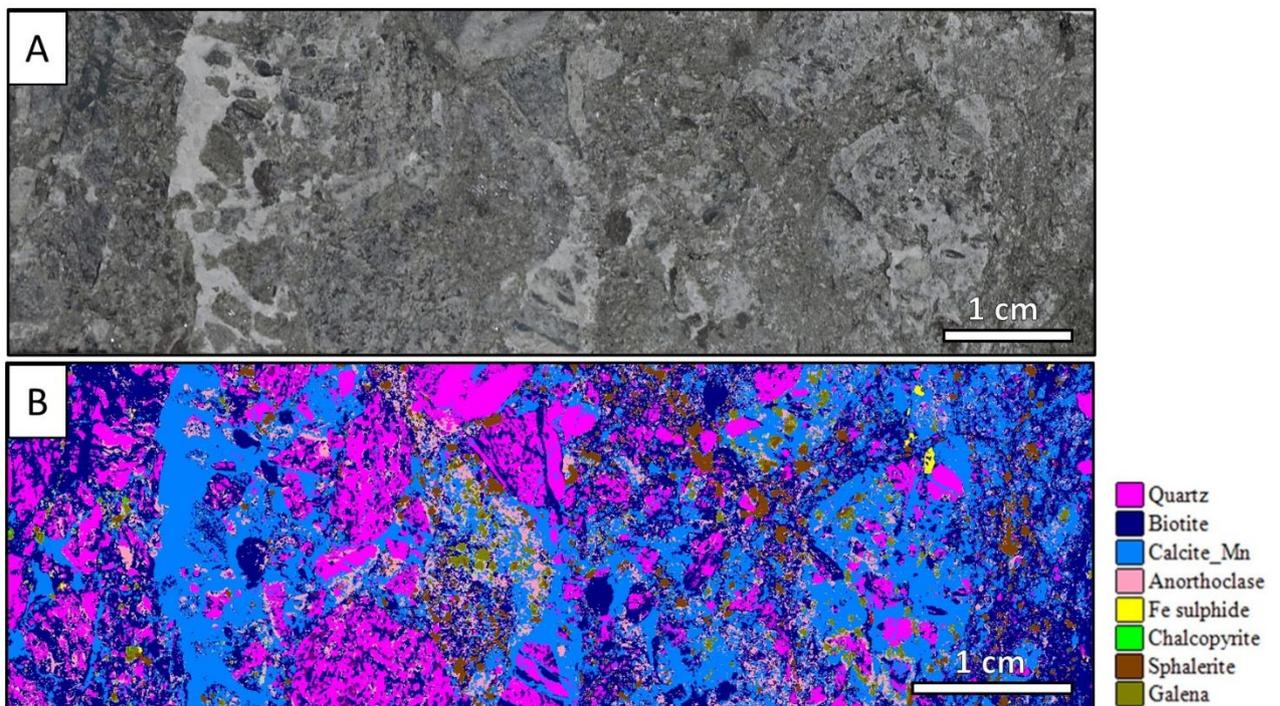


Figure 4: (A) Base metal mineralisation at 223.2 m in LRDD003 assaying 0.20 m @ 3.05% Pb, 1.36% Zn and 3 g/t Ag from 223.2 m. (B) Mineralogy assemblage from Bruker spectral scan in LRDD003, biotite-calcite-quartz-anorthoclase-sphalerite-galena

Gravity Surveys

Dalaroo has now completed gravity surveys at the Four Corners and Browns prospects to complement previously flown 50 metre spaced airborne magnetics surveys and a ground BHP gravity survey from late 2004. The Dalaroo gravity surveys were conducted at line spacing of 200 metres and station spacing of 50 metres during the September quarter and were designed to provide a better understanding of the structural framework at these prospects.

A review and assessment of the gravity survey data from the Four Corners and Browns prospects is being completed by Dalaroo's consultant geophysicist. An image of the 1st Vertical Derivative of terrain corrected Bouguer gravity linear colour stretch overlain on a grey scale image of the Automatic Gain Control (AGC) filtered Total Magnetic Intensity is shown in Figure 5.

Gravity is an important reconnaissance geophysical dataset. The higher resolution obtained from the recent gravity survey thus far (compared to open file), in conjunction with the magnetic dataset, is identifying features of interest, important stratigraphic trends and zones of structural complexity necessary for the formation of BHT/SEDEX Pb-Zn-Ag deposits.

Next Steps at Lyons River

Future exploration activities planned for Lyons River include:

1. Dalaroo has secured a drill rig for a circa 3,000 metre RC drilling programme earmarked to commence in the December quarter to further test the Four Corners prospect, where primary zinc, lead and copper sulphide mineralisation has now been intersected. The drill programme will test extensions to mineralisation in drill hole LRDD003 along the strike extent of the NE zone of the IP anomaly and the broader untested portions of the geochemical anomaly. In addition, drilling will target the copper trend located along the northern edge of the NE zone of the IP anomaly.
2. An assessment of gravity survey data for the Four Corners and Browns prospect and integration with the IP, magnetics and available geochemistry is well underway and will be completed during the December quarter. This will guide and prioritise regional targeting and work programmes during 2022.
3. Infill and extension geochemical surveys are currently underway and will be completed during the December quarter, covering the Browns, Crawfords, McCarthys and Goodbody prospects. Additional geochemical sampling will further refine drill targets for the coming year. Results will be reported in due course following assessment and review.
4. A specialist geophysical contractor engaged to conduct surface IP and radial/downhole IP surveys will begin in the March quarter 2022. The IP anomaly NE and SE zones remain open to the east, IP survey lines will be extended further to the east to determine the eventual size of the currently defined 2.5 km strike length anomaly.
5. Heritage surveys are being planned for the drill testing of the Browns prospect and other regional prospects/targets.

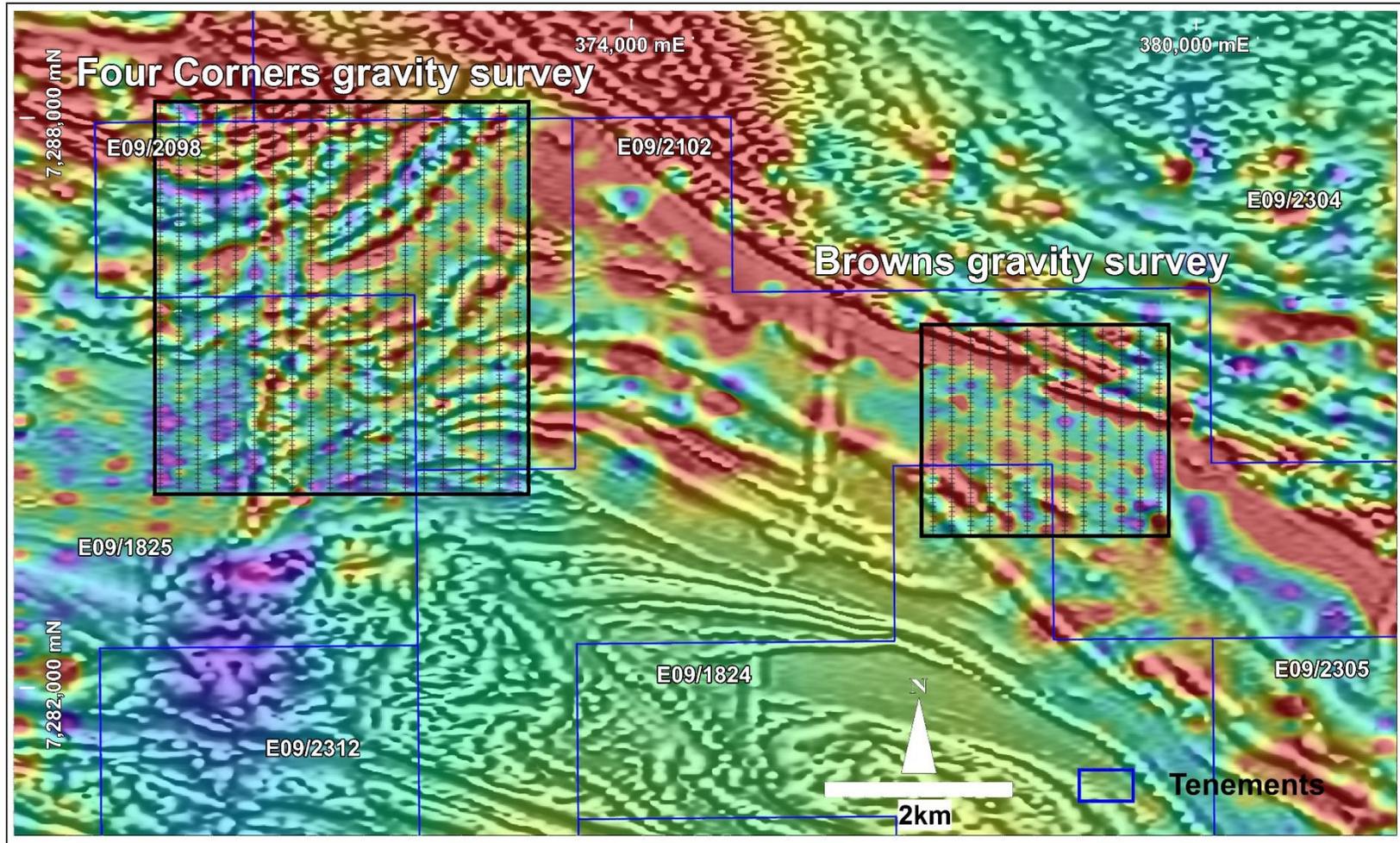


Figure 5: Image of the 1st Vertical Derivative of terrain corrected Bouguer gravity, linear colour stretch overlain on a grey scale image of the AGC of the Total Magnetic Intensity

Table 1: Assay Intersections

Hole	East	North	RL	EOH (m)	Azi deg	Dip deg	From (m)	To (m)	Interval (m)	Intersection					
										Pb %	Pb ppm	Zn %	Zn ppm	Ag g/t	Cu ppm
LRDD001	370509	7285412	282	360.9	180°	-65	NSI								
LRDD002	370504	7285601	280	357.2		90	NSI								
LRDD003	371699	7286546	279	345.3	180°	-60	133	137	4	0.15			528		
							204	205	1.00	0.16			824		
							223	224	1.00	0.68		0.28		1	
						inc.	223.2	223.4	0.20	3.05		1.37		3	
							226	227	1.00	0.65		0.24		1	
							238.5	243.4	4.9	0.22			400		
						inc.	240	241	1.00	0.60			454	1	
							246	247	1.00	0.14			202		
							273	274	1.00	0.57		0.17		1	
							284	285	1.00		541	0.14			
							292	293	1.00	0.13		0.12		1.5	
							312	313	1.00		508	0.10		1	
							335	337							410
LRDD004	371925	7285692	284	300.5	180°	-80	NSI								

NSI = No significant intercept

Namban in the Wheatbelt Region of Western Australia

At Namban, first pass systematic geochemical sampling is in progress and will be completed once areas, currently in crop are harvested.

Assessment of the detailed 50 metre line spacing drone airborne magnetics flown early in the September quarter, is well underway by a consultant geophysicist and will be reported once finalised. Further areas at Namban are to be flown during November.

Negotiations with local farmers for land access agreements are well underway.

Corporate

During the September 2021 Quarter, Dalaroo completed an Initial Public Offer (IPO) which received strong support from investors and with a subscription of \$5 million from the issue of 25 million shares. On 28 September 2021, Dalaroo was admitted to the official list of the ASX and commenced trading.

The successful completion of the IPO and listing on the ASX were significant milestones for the Company, and the funds raised will be largely directed towards exploration and advancing the Company's Lyons River and Namban projects.

As at the date of this report, the Company has the following securities on issue:

Security Type	Number
Fully Paid Ordinary Shares	54,000,000
Vendor Options - nil issue price and exercise price of \$0.25 with an expiry date of 4 years from the listing date	8,000,000
New Options – issue price of \$0.001 and exercise price of \$0.25 with an expiry date of 3 years from the listing date	5,000,000

No further shares or options were issued during the quarter

Financial Commentary

The Appendix 5B for the quarter ended 30 September 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$128K. Corporate and other expenditure for the quarter was \$59K. The total amount paid to Directors of the Company, their associates and other related parties was \$1K and includes salary and fees.

The Company's cash balance at the end of the quarter was \$5,106,000.

ENDS

For more Information:

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

Harjinder Kehal, Managing Director on +61 400 044 890

COMPETENT PERSON

The information in this report that relates to Exploration Results is extracted from the following ASX announcement:

- Lyons River drilling results – dated 25 October 2021

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 Lyons River

Location

Lyons River is located approximately 1,100 km north of Perth and approximately 220 km to the north-east of the coastal town of Carnarvon, Western Australia (Figure 6).

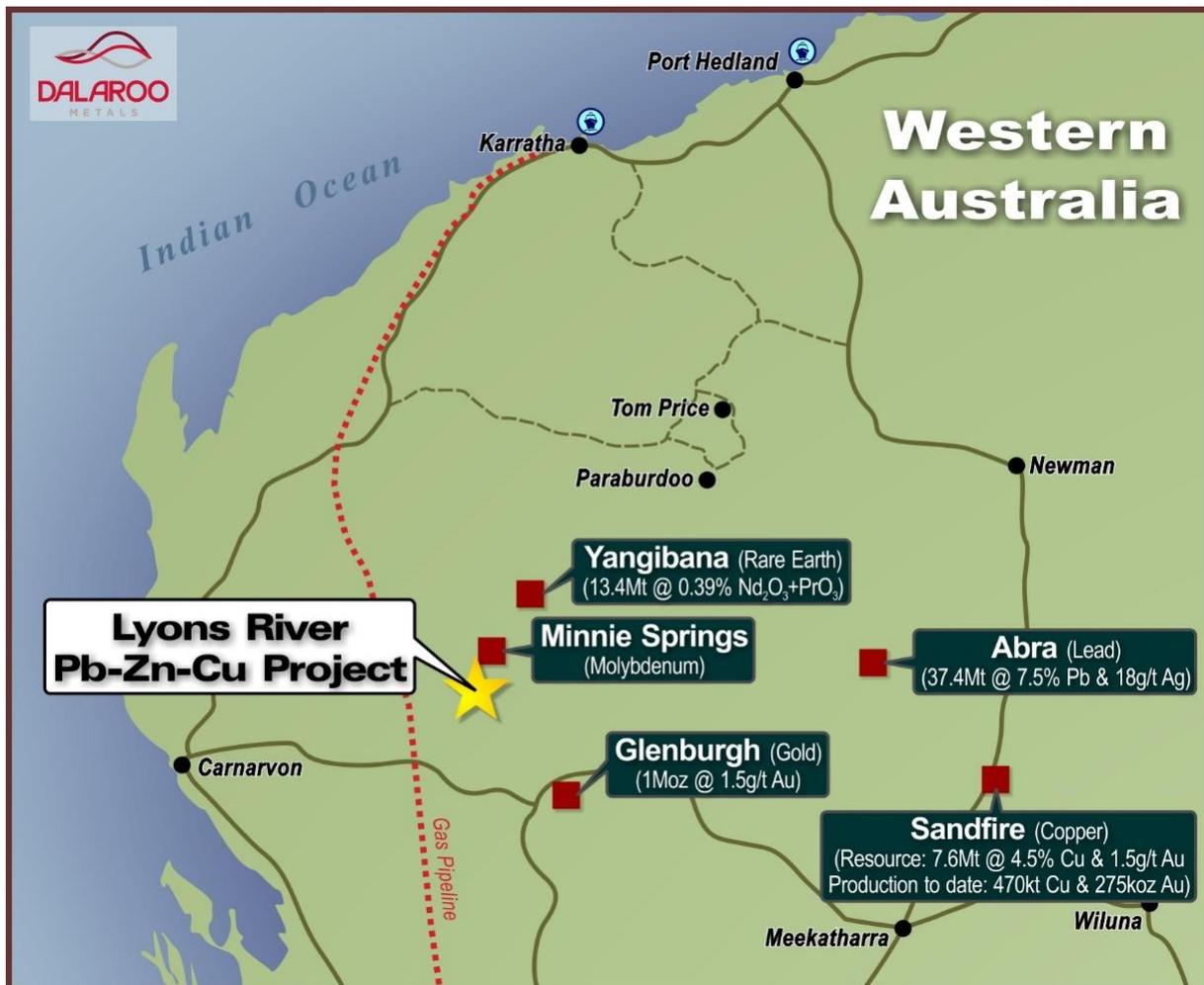


Figure 6: Lyons River Project location diagram

Geological setting

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 Proterozoic Capricorn Orogen (Figure 7). The Mutherbukin Zone is 50 km wide and trends WNW-ESE, bounded to the north by the Ti Tree Shear Zone and to the south by the Chaliba Shear Zone). These south-dipping, crustal-scale structures delineate the margins of the Mutherbukin Zone and separate it from the older Limejuice Zone to the north and the Mooloo Zone to the south.

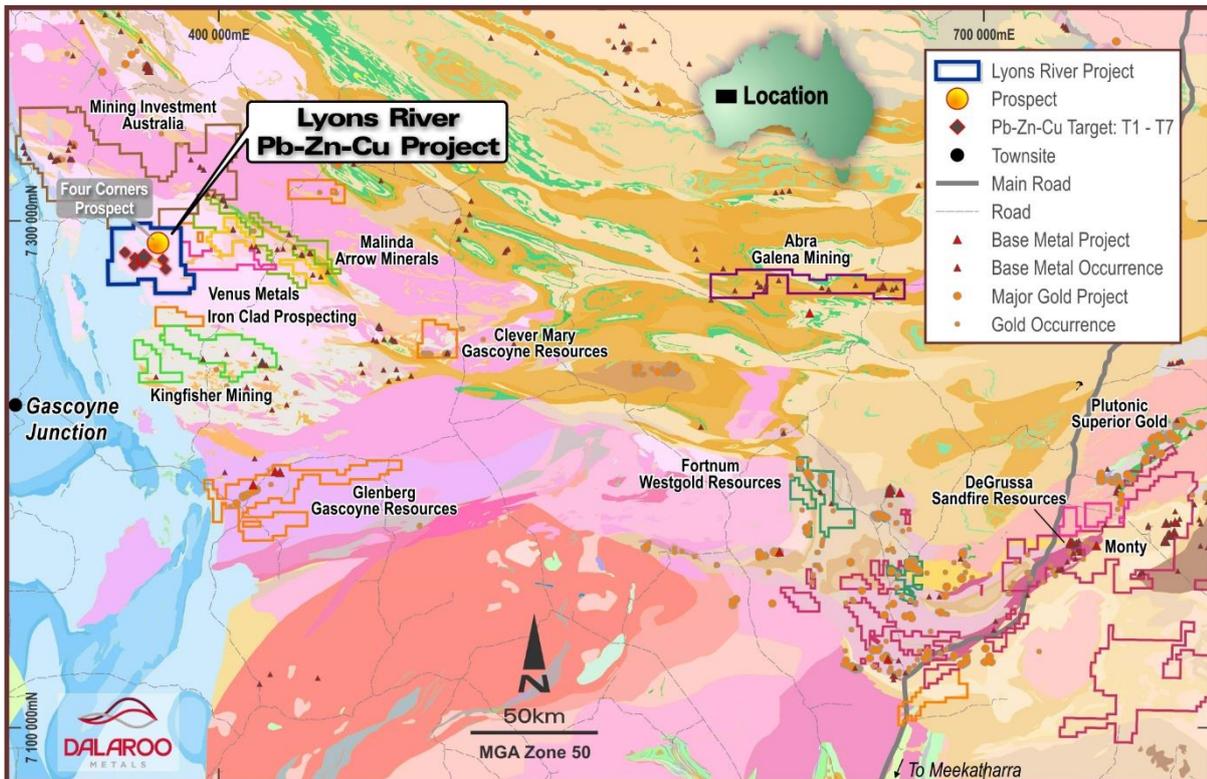


Figure 7: Location diagram showing geological setting

Sweet Spots for BHTs/ SEDEXs

Combination of exploration work completed to date by previous explorers, has led to the development of a conceptual model that suggests Lyons River is prospective for **BHT** deposits (Table 2).

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 200 km of the edges of thick lithosphere. The Australian model shows striking correlation between major sediment hosted deposits and edge of thick lithosphere, defined by 170 km LAB contour. Lyons River Project is located 156 km away from the 170 km LAB contour (Figure 8).

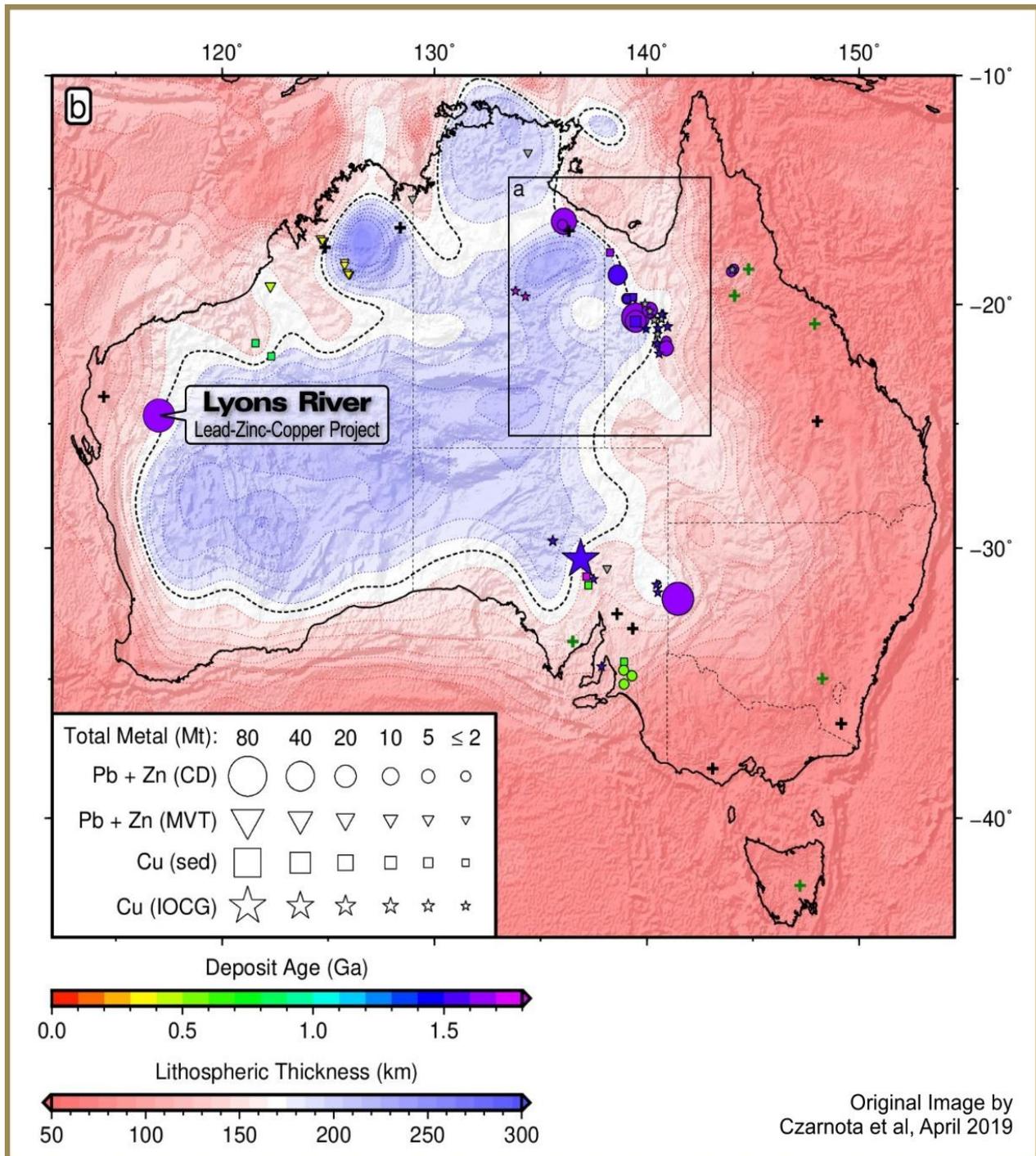


Figure 8: Distribution of BHT/SEDEX deposits, function of lithospheric thickness in Australia

Table 2: Deposit Characteristics – Lyons River vs World class BHT/SEDEX’s

Characteristics	Lyons River	Broken Hill	Cannington	Rampura Agucha
Resource	Potential based on coincident IP anomaly with core of 30 ms, RC and diamond drill results and soil geochemistry.	280 Mt @ 8.5% Zn, 10.0% Pb, 148 g/t Ag, 0.14% Cu	45 Mt @ 4.4% Zn, 11.1% Pb, 500 g/t Ag, 0.1% Cu	64 Mt @ 13.6% Zn, 1.9% Pb, 45 g/t Ag
Age	Palaeoproterozoic			
Surface geochemical signature	Zinc-lead in-soil anomalism (five additional discrete anomalies outlined). Zinc-rich gahnites widespread across prospective stratigraphy.	Zinc-rich gahnites define lateral extents of prospective stratigraphy.	Zinc-lead soil anomalism (though discovered by gossan prospecting).	Zinc-lead soil anomalism (though discovered by gossan prospecting, by the ancients and rediscovered in 1977 by GSI).
Geophysical signature	IP/Resistivity anomalism (IP high).	Gravity anomaly (high).	Anomalous IP, susceptible to influence from chargeable stratigraphy.	IP anomaly over the deposit.
Sulphide minerals	Sphalerite, galena, chalcopryrite (in RC and diamond drilling).	Sphalerite, galena, chalcopryrite.	Sphalerite, galena, chalcopryrite.	Sphalerite and galena.
LAB contour distance	156 km.	92 km.	67 km.	115 km.

Table 3: Four Corners Diamond drilling locations

Drillhole	IP anomaly	MGAE	MGAN	RL	Dip (°)	Azimuth (mag)	Depth (m)	Tenement
LRDD001	Four Corners: Central	370509	7285412	282	-65	180°	360.9	E09/1825
LRDD002		370504	7285601	280	-90	0°	357.2	E09/1825
LRDD003	Four Corners: NE zone	371699	7286546	279	-60	180°	345.3	E09/2098
LRDD004	Four Corners: SE zone	371925	7285682	284	-80	180°	300.5	E09/2098

About Namban

Namban Project comprises an under explored ground package totalling 437 km² located in the mid-north part of the wheatbelt region, deemed by Dalaroo to be prospective for magmatic intrusion related Ni-Cu-PGE deposits. The Company has a 100% controlling interest in the Namban Project, comprising six tenements extending from the townships of Moora in the south to Three Springs in the north (Figure 9).



Figure 9: Namban Project tenements location map.

TENEMENT SCHEDULE AS AT 30 SEPTEMBTER 2021

Project Name	Location	Tenement Licence	Interest held at 30 June 2021
Lyons River	WA	E09/1824	100%
Lyons River	WA	E09/1825	100%
Lyons River	WA	E09/2098	100%
Lyons River	WA	E09/2102	100%
Lyons River	WA	E09/2304	100%
Lyons River	WA	E09/2305	100%
Lyons River	WA	E09/2312	100%
Namban	WA	E70/4694	100%
Namban	WA	E70/4928	100%
Namban	WA	E70/5702	100%
Namban	WA	E70/5494	100%
Namban	WA	E70/5502	100%
Namban	WA	E70/5504	100%

Note: All the Tenement Licences are granted.

Appendix 1: Dalaroo Metals Ltd – Diamond Drilling Programme Lyons River Project – Four Corners prospect - 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	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>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.</i></p>	<p>Diamond drilling was used to produce quarter HQ3 and NQ2 core samples (between 0.2 m-1.05 m) which were submitted to Bureau Veritas Laboratory Perth for geochemical analysis. • Sample intervals were based on geology and style of sulphide occurrence. • • Samples were analysed for Al, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, P, S, Ti have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Ag, As, Ba, Li, Mo, Pb, W and Zn have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry</p> <p>Gravity survey with the following survey details:</p> <ul style="list-style-type: none"> - 50 m spaced stations on 200 m spaced lines (2,351 stations) - Scintrex CG-5-6 Autograv Gravity Meter - Real Time Kinematic GPS (+/- 0.05 m) - Accuracy <0.04 mGal <p>Gravity survey was chosen as a method for delineating the presence of sulphide mineralisation due to the high density of lead/zinc sulphide relative to host rock lithologies</p>

Criteria	JORC Code explanation	Commentary
Drilling techniques	<i>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.).</i>	<p>Diamond drillhole pre-collars were completed using the mud rotary technique to depths of 2.7-6.4 m. No samples were recovered from the mud rotary pre-collar. • The remainder of the hole was drilled with HQ ranging between 119.1-140.7 m), followed by NQ2 diamond coring to end of hole.</p> <p>Westralian Diamond Driller completed the drilling.</p> <p>The data were tide and drift corrected with additional repeat readings taken to establish the survey accuracy</p> <p>Not applicable for gravity survey</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p>Drill core orientation was recorded when possible at the end of each drill run (line on bottom of core). • Drill core sample recoveries for the HQ3 and NQ2 core were measured and recorded in drill log sheets. • No relationship has been determined between sample recoveries and grade and there is insufficient data to determine if there is a sample bias.</p> <p>Not applicable for gravity survey</p>
Logging	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Geological logging of all drillholes included; lithology, grainsize, texture, deformation, mineralisation, alteration, veining, colour, weathering.</p> <p>Drill core logging is qualitative and based on drill core retained in core trays.</p> <p>All drillholes were logged in their entirety.</p> <p>Not applicable for gravity survey</p>

Criteria	JORC Code explanation	Commentary
Subsampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Selected sawn quarter HQ3 and NQ2 core samples based on geology and sulphide occurrence were submitted for geochemical analysis. • The size of the sample from the diamond drilling method is considered appropriate for the mineralisation style sought and for the analytical technique used. • The samples are dried, crushed and pulverised before analysis. • A quartz wash was utilised between samples to avoid any carry over.</p> <p>Not applicable for gravity survey</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>Samples were analysed for Al, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, P, S, Ti have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Ag, As, Ba, Li, Mo, Pb, W and Zn have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry</p> <p>All samples were analysed by Bureau Veritas Laboratory</p> <p>Haines surveys acquired routine repeat reading throughout the gravity survey (7% of survey), which was statistically analysed. Repeat gravity readings were within +/-0.05mGal (SD = 0.03mGal and elevations within +/-9cm (SD = 3 cm). Data was analysed by independent geophysical consultant (Kim Frankcombe) for QAQC</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Assay data is presented as it appears in the original documentation and electronic database and no adjustment has been made.</p> <p>Not applicable for gravity survey</p>

Criteria	JORC Code explanation	Commentary
Location of data points	<p><i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>All drillhole collars are surveyed with a handheld GPS unit with an accuracy of $\pm 5\text{m}$ which is considered sufficiently accurate for the purpose of the drillhole. • All co-ordinates are expressed in GDA94 datum, Zone 51. • Regional topographic control has an accuracy of $\pm 2\text{m}$ based on detailed DTM data.</p> <p>Gravity survey locations were measured with Scintrex CG-5-6 system and vertical and horizontal accuracy determined by Kinematic GPS.</p> <p>Gravity control was established using multiple ABA ties to a control station tied to the Australian Fundamental Gravity Network.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Diamond drillhole spacing is not regular or grid based, with the location of individual drillholes governed by targeting the position of coincident modelled Induced Polarisation contours, soil geochem and historical RC drilling</p> <p>The Competent Person considers that the paucity of drilling at Lyons River is insufficient to establish grade continuity but is indicative of mineralisation appropriate to an early-stage exploration project.</p> <p>Not applicable for gravity survey</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<p>The Competent Person has reported downhole intersections without reference to interpreted mineralisation orientation. This is appropriate for an early-stage exploration program where the orientation of mineralisation is preliminary, and it is inappropriate to geometrically correct intersections.</p> <p>Gravity surveys undertaken includes an area with SW-NE magnetic grain, 3D and cross-cutting magnetic bodies, and N-S faults. The survey grid is well suited to the SW-NE magnetic stratigraphy but under samples the N-S fault.</p>

Criteria	JORC Code explanation	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	<p>Individual calico sample bags from the core drilling were placed in polyweave bags and hand delivered directly to the assay laboratory in Perth by company personnel. • All diamond drill core will be removed from site and stored at an appropriate facility.</p> <p>All gravity data is digitally stored by the contractor and geophysical consultant.</p>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>None of the drilling has been subject to audit. The Competent Person does not consider this to be material for early-stage exploration projects.</p> <p>Gravity data has been independently checked by geophysical consultant Kim Francombe.</p>

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	<p><i>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.</i></p> <p><i>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.</i></p>	<p>The Lyons River Project tenements are wholly owned by Dalaroo Metals Limited (Dalaroo)</p> <p>The Project is located 220km north-east of Carnarvon on Eudamullah Pastoral Station.</p> <p>The Competent Person is unaware of any impediments to development of these tenements.</p>
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>Exploration of Lyons River has previously been undertaken by other parties including BHP, Altera and Serena and the Competent Person has referenced the parties involved and the results of this work throughout the text.</p>
Geology	<p><i>Deposit type, geological setting, and style of mineralisation.</i></p>	<p>The primary mineralisation style being sought is metamorphosed base metal mineralisation of the Broken Hill type (BHT) and SEDEX.</p>
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drillhole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <p><i>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.</i></p>	<p>Refer to table of drillhole collars in body of report</p>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>In all cases, Exploration Results have been reported in accordance with Clause 19 of the JORC Code. Data has been reported as arithmetic averages, weighted by downhole drill intersection for identified zones of mineralisation.</p> <p>No metal equivalent values have been reported.</p>
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	<p>The drill core has been oriented to enable structural logging and evaluation of true thicknesses of the mineralised intervals. • All drillhole intercepts/intervals are measured downhole in metres.</p>
Diagrams	<p><i>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.</i></p>	<p>Appropriate diagrams are included in the main body of this report</p>
Balanced reporting	<p><i>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.</i></p>	<p>Assay results presented are balanced.</p> <p>Reporting of the gravity results is considered balanced.</p>
Other substantive exploration data	<p><i>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.</i></p>	<p>Detailed high quality aeromagnetic, IP, gravity datasets and soil geochemistry</p> <p>The gravity survey for the Four Corners and Browns prospects was merged with the BHP survey to produce a data set of 3,594 stations. This was then merged with the regional Geoscience Australia gravity data set for an area of around 200 km x 200 km centred on the project in order to allow for better regionals to be created. The merged data set consisted of 12,600 stations.</p>

Criteria	JORC Code explanation	Commentary
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Full geological, geophysical and geochemical integration of data • Drill testing (air core and/or RC percussion and/or diamond drilling) will be undertaken on priority targets identified.</p> <p>These diagrams are included in the main body of this report</p>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DALAROO METALS LTD

ABN

23 648 476 699

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-128	-128
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	-38	-38
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-21	-21
1.9 Net cash from / (used in) operating activities	-187	-187

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,005	5,005
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-113	-113
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,892	4,892

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	402	402
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-187	-187
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,892	4,892

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,106	5,106

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,106	402
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,106	402

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	-	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	-187
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	-187
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,106
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,106
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	27.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of Dalaroo Metals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.