New REE and Li prospective pegmatite districts identified at Lyons River

Highlights

- **Robust REE and Li anomalies outlined at Marloo River prospect: up to 1278 ppm TREO and 93.5ppm Li in soil samples**
- **Pegmatite sampling within REE anomalous zone returns 0.89% TREO in rock chips at Marloo River**
- **Further exploration for Lithium at Lyons River has identified pegmatite districts untested for Li or REE potential:**
  - **a large primary pegmatite swarm spanning a 9 km x 6 km area (referred to as the View Hill Pegmatite Zone); and**
  - **numerous smaller pegmatite swarms within major regional structural corridor**
- **Anomalous first-pass rock chip sample assays from View Hill indicate fertility for rare metal pegmatites, with assays returning:**
  - **114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 182 ppm Sn**
- **Considerable potential to expand lithium / rare metal footprint at Lyons River**

Dalaroo Metals Ltd (**ASX: DAL,** "Dalaroo" or "Company") is pleased to announce results from systematic soil geochemical sampling and recent geological reconnaissance relating to Rare Earth Elements (**REE**) prospectivity and pegmatite-associated Li in the Lyons River Project. Numerous pegmatite swarms have been confirmed and geochemical sampling completed at the Marloo River and View Hill prospect areas.

Dalaroo's Managing Director, Harjinder Kehal, commented:

"We are excited by the REE results of 0.89% TREO from the newly outlined Marloo River prospect. Rock chip samples of pegmatites in the View Hill zone returning up to 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 182 ppm Sn, suggest the pegmatites in this district are fertile for potential rare metal pegmatite associated mineralization.

The Company is continuing to uncover the growing multi-commodity prospectivity of its 100% owned 703 km^2 Lyons River Project, in the underexplored Gascoyne Province of the Capricorn Orogen, Western Australia."

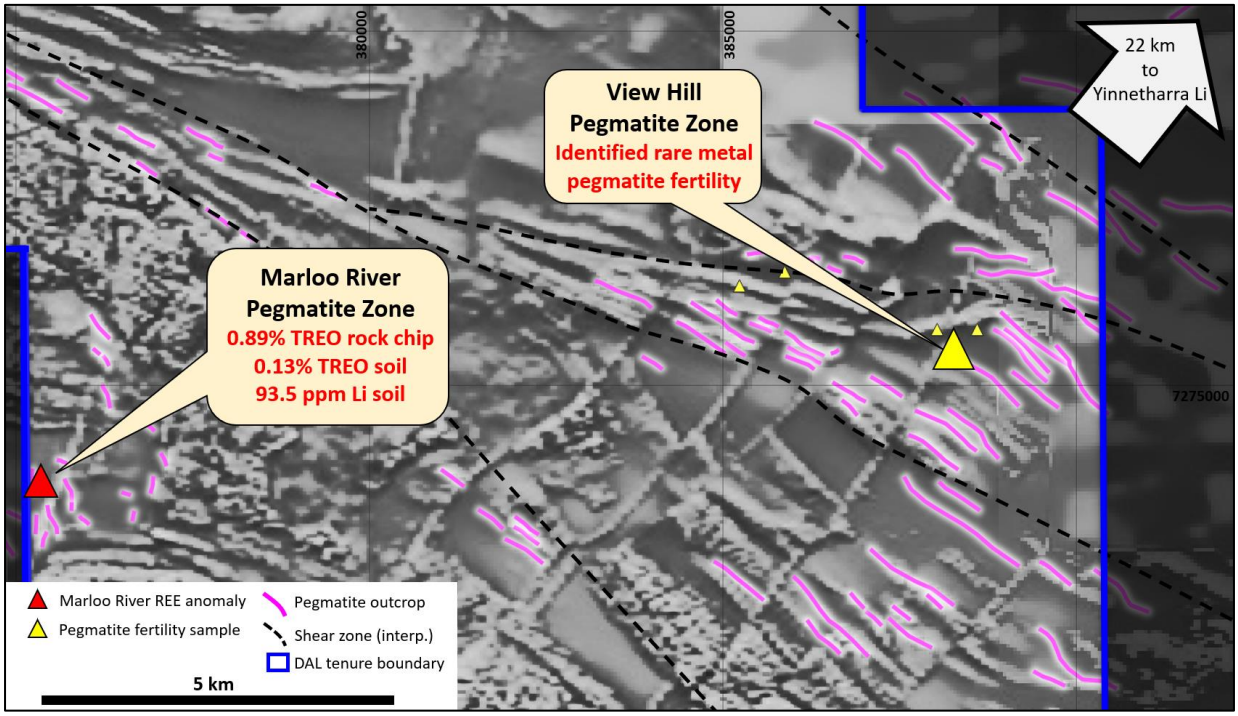

Figure 1: Lyons River Project – Marloo River and location of anomalous TREO geochemical results, and View Hill with location of samples indicating fertile pegmatite and granite areas.

Technical Commentary

Marloo REE and Li Potential

At Marloo River, an initial soil sampling campaign (100 x 250m sample spacing) has revealed zones of elevated REEs (up to 1278 ppm TREO) and Li (up to 93.5 ppm; Figure 2). These anomalies are associated with feldspar-muscovite-quartz-dominant pegmatites with locally biotite-rich zones, that have intruded a micaceous pelitic schist package, likely of sedimentary rock origin.

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 (sample 2310AR_002) and returned assay values of 0.89% TREO and 215 ppm Li (Table 1). In the northern extents of the Marloo River prospect area, a single soil line extension revealed 842 ppm TREO in soils that remains open to the west and east (Figure 2). Pegmatite outcrops extending over hundreds of metres have also been observed in this area.

View Hill Lithium Potential

Dalaroo's lithium anomalous rock chip results targets are located approximately 22 km 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).

Pegmatites in the Yinnetharra district form part of the intrusive Thirty Three Supersuite ("TTS"), which comprises granite, granitic pegmatites (microcline-muscovite-tourmaline) and rare-metal pegmatites. The recent field mapping have confirmed that the granites and pegmatites of the TTS have also intruded the host stratigraphy of the Lyons River Project tenements.

Selective reconnaissance rock chip sampling completed at View Hill of the granitic pegmatites has demonstrated whole rock geochemistry that is considered high fertility for LCT-type pegmatites associated with Li mineralization (Figure 1). 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 (Table 2).

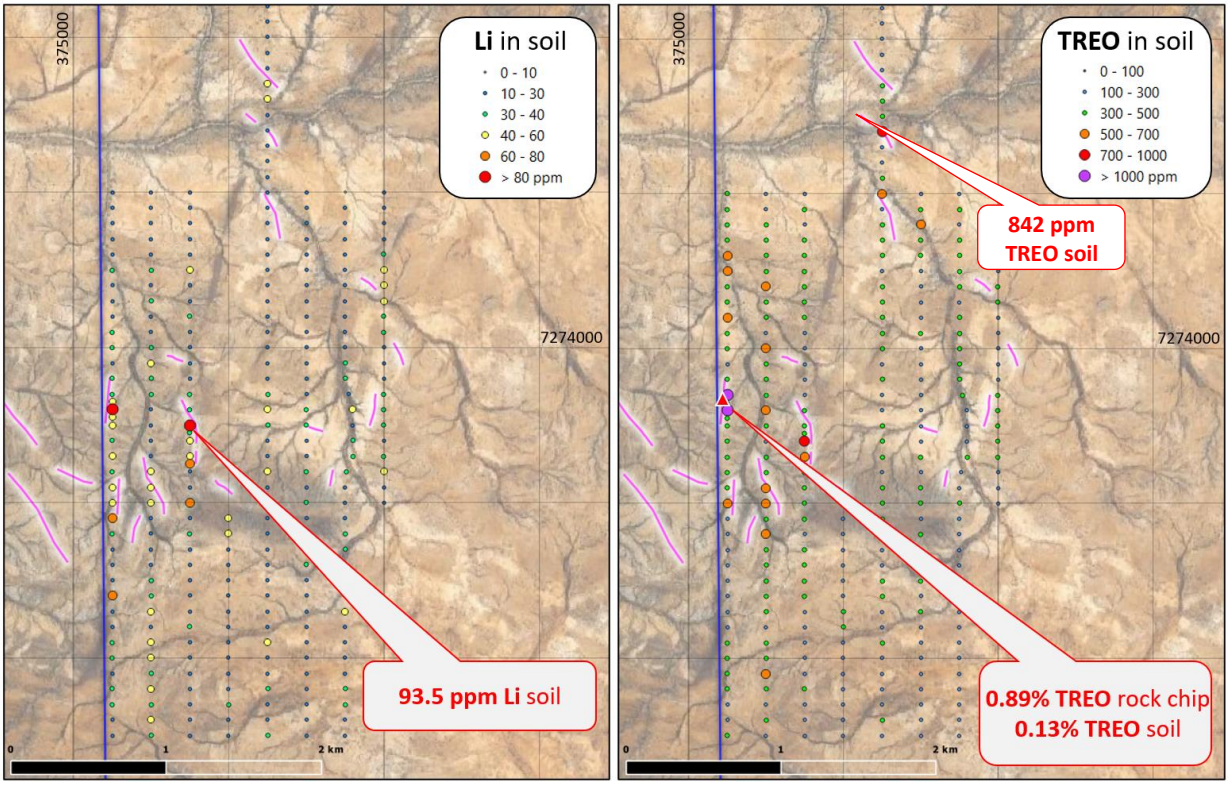

Figure 2: Marloo River anomalous lithium and TREO soil/rock chip geochemistry results.

Next Steps

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. Additionally, in the northern extents of the prospect area, step out soil sampling will be carried out adjacent to the > 700 ppm TREO soil anomaly identified in the sampling to date (Figure 2).

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

ENDS

For more Information:

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

Harjinder Kehal, Managing Director on +61 400 044 890

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 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

Table 1: Rock chip sampling assay results from Marloo River prospect

Sample_ID	East GDA94	North GDA94	CeO_2	Cs	Dy_2O_3	Er_2O_3	Eu_2O3	Gd_2O_3	Gd	Hf	Ho_2O_3	La_2O_3	Li	Lu_2O_3	Nb	Nd_2O_3	P	Pr_6O_{11}	Rb	Sm_2O_3	Sn	Ta	Tb_4O_7	Y_2O_3	Yb_2O_3	Zr	TREO
2310AR_01	375247	7273615	15.7	3.8	1	0.5	0.3	41.4	1.6	1.2	0.16	7.1	45	0.1	82	6.6	300	1.6	335	1.75	14	4.9	0.2	4.8	0.55	15	52
2310AR_02	375247	7273590	3900	16	110	25	17.1	33.4	213	0.4	13.1	1850	215	0.68	31.5	1680	3600	432	342	278	14	3.2	24.2	349	6.8	8	**8919**
2310AR_03	375250	7273628	469	19.7	9.25	2.15	2.65	46.2	22	3.8	1.06	237	121	0.24	22	185	500	45.8	364	31.4	10	1.6	2.26	24.5	1.65	126	**1054**
2310AR_04	375230	7273698	33.9	9.7	1.85	1	0.25	82	2.2	2.4	0.32	8.6	54	0.18	188	8.95	100	2.1	905	2.65	22	16.5	0.4	10.3	1.3	24.5	94
2310AR_05	375239	7273773	9.2	8.3	0.75	0.25	0.05	43.2	1	0.8	0.1	4.2	69	0.06	75.5	4.3	100	1	620	1.25	23	8	0.2	4	0.3	8.5	29
2310AR_06	375252	7273800	60.9	17.8	3	0.65	0.025	66.4	9.2	1.2	0.3	21.5	161	0.08	115	34.9	450	7.85	691	13.9	32	11.7	0.9	17.1	0.6	8.5	189
2310AR_07	375252	7273800	83.1	4.8	3.05	1.2	0.6	33	4.8	1.6	0.48	39.9	41.5	0.18	18	36.1	100	9	230	6.45	14	1.7	0.58	12.6	1.05	47.5	223

Table 2: Assay results for rock chip samples from pegmatites collected at Lyons River

Sample ID	East GDA 94	North GDA94	Be	Ca	Ce	Cs	K	Li	Na	Nb	Pb	Rb	Re	Sn	Ta	Zn
22LRR002	385238	7276401	4	1386.5	1.3	25.5	75799	1.1	26691	1.4	65.8	692.1	<0.1	<1	0.9	6.9
22LRR003	385877	7276607	2.7	515.8	3.2	5.2	34172	62.5	2707.9	34.6	3.8	328.8	<0.1	41.2	2.8	33.5
22LRR004	388597	7275791	19.5	438.7	7.1	43.8	76783	84	5265.1	187.2	4.3	1638	<0.1	182.8	22.2	81.9
22LRR005	388211	7275495	9.7	626.5	3.6	13.4	75807	114.3	5481.8	81.6	4.6	837.9	<0.1	32.8	6.1	65.7
22LRR006	388219	7275490	1.9	843.3	2.6	10.6	97121	3.5	21223	5.1	111	650.7	<0.1	2.8	0.9	8.4
22LRR007	388033	7275794	1.2	4775.1	34.3	1.2	22762	3.1	35177	15.2	31.8	49	<0.1	1.5	2.5	12.7
22LRR008	367039	7282920	1.3	378.8	36.8	1.8	34224	11.9	3157.2	7.7	20.2	151.5	<0.1	6.3	0.7	15.1
22LRR009	374527	7282914	16.2	2357.8	12.4	23.5	49266	14.8	18614	328.8	39.7	904.6	<0.1	34.7	116.6	19.8

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 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 3).

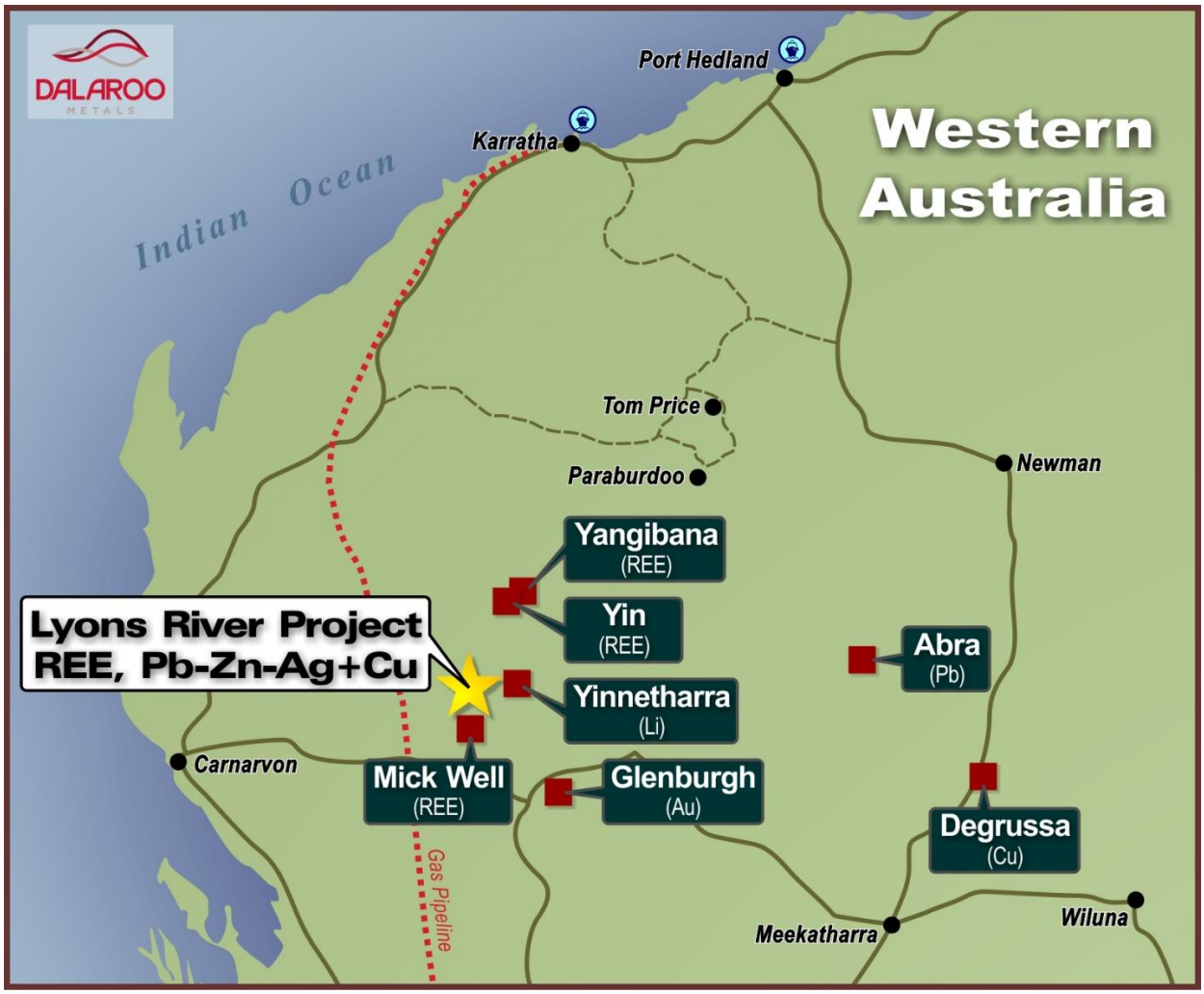

Figure 3: Lyons River Project location diagram

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 and rock chip sampling Soil samples are generally homogenised by the collection process. Entire sample was submitted for sample prep and assay. Rock chip sampling across the pegmatite. Rock chip sampling across the lithologies, in a channel fashion, to obtain representative material was completed, with sample size of 1-4 kg. 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 and rock chip 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.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling results reported.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling results reported.
	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.
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.*	Sample type and landform/regolith settings were recorded, and geo-tagged photos of samples and settings taken.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	No drilling results reported.
	The total length and percentage of the relevant intersections logged.	
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Soil samples were sieved to collect the -2 mm fraction. All samples were dry.
	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.	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
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	There was no sub-sampling
	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.	Soil sampling completed on a regular grid spacings to ensure representative sampling of area being assessed.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	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 and rock chip 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 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 parallel to the geological strike and perpendicular to 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.