Multiple Lithium anomalies at Lyons River Project in Gascoyne

Highlights

- **Multiple lithium anomalies outlined.**
- **High Priority lithium anomalies with values of up to 125ppm Li and strike lengths of up to 1.5km.**
- **Lithium anomalies are supported by elevated levels of pathfinder and indicator elements including rubidium, beryllium, caesium, tantalum and tin.**
- **Targeted 50m spaced airborne magnetic data has highlighted five granite fertile areas with potential to host lithium bearing pegmatites. Some of the granite fertile areas coincide with zones of anomalous lithium.**
- **Follow-up exploration to commence immediately in June.**

First mover, Dalaroo Metals Ltd (**ASX: DAL,** "Dalaroo" or "Company") advises that analysis of historical multi-element geochemical data from its 100% owned 702 km^2 Lyons River base metal project has identified multiple lithium anomalies where statistically elevated lithium concentrations have been observed. These lithium anomalies are supported by elevated levels of pathfinder and indicator elements including rubidium, beryllium, caesium, tantalum and tin in the underexplored Gascoyne Province of the Capricorn Orogen in Western Australia.

Dalaroo's lithium anomalies are located approximately 50 km west of the Malinda Lithium Project previously explored by Segue Resources Ltd (renamed Arrow Minerals Ltd) (ASX: AMD – See ASX announcement from 20 September 2017) with a significant drill intersection of 14m @ 1.25% Li_2O.

A total of 3,700 soil geochemical samples have been collected on a 250 X 100 to 500 X 100m grid pattern over the period from 2017 to 2021 covering an area of 22km x 10 to 15km at the Lyons River Project. Soil samples have been collected over an exposed regolith domain with granite gneisses and psammites mapped by the Geological Survey of Western Australia (GSWA). A subset of 300 samples from initial areas of interest were re-assayed using a four acid digest for lithium and associated supporting elements. This data was then analysed by a specialist geochemist.

Lithium values of up to 125 ppm are seen in the four acid data showing enrichments compared to average background granites concentrations by up to six times and are supported by elevated levels of pathfinder and indicator elements including rubidium, beryllium, caesium, tantalum and tin.

The multi-element signatures of these soil anomalies are consistent with possible hard rock lithium mineralisation.

"Importantly, assessment of our 50m spaced airborne magnetic data has highlighted five granite fertile areas which have the potential to host lithium bearing pegmatites. Some of the granite fertile areas coincide with zones of anomalous lithium and this is really exciting to guide our future exploration focus," said Dalaroo Managing Director, Harjinder Kehal.

With our focus to date being on base metals, the geochemical data over the Lyons River has not been specifically evaluated for lithium mineralisation. Geological mapping over the project has discovered numerous outcropping pegmatites in addition to those mapped by GSWA, particularly the eastern part of the Lyons River Project area.

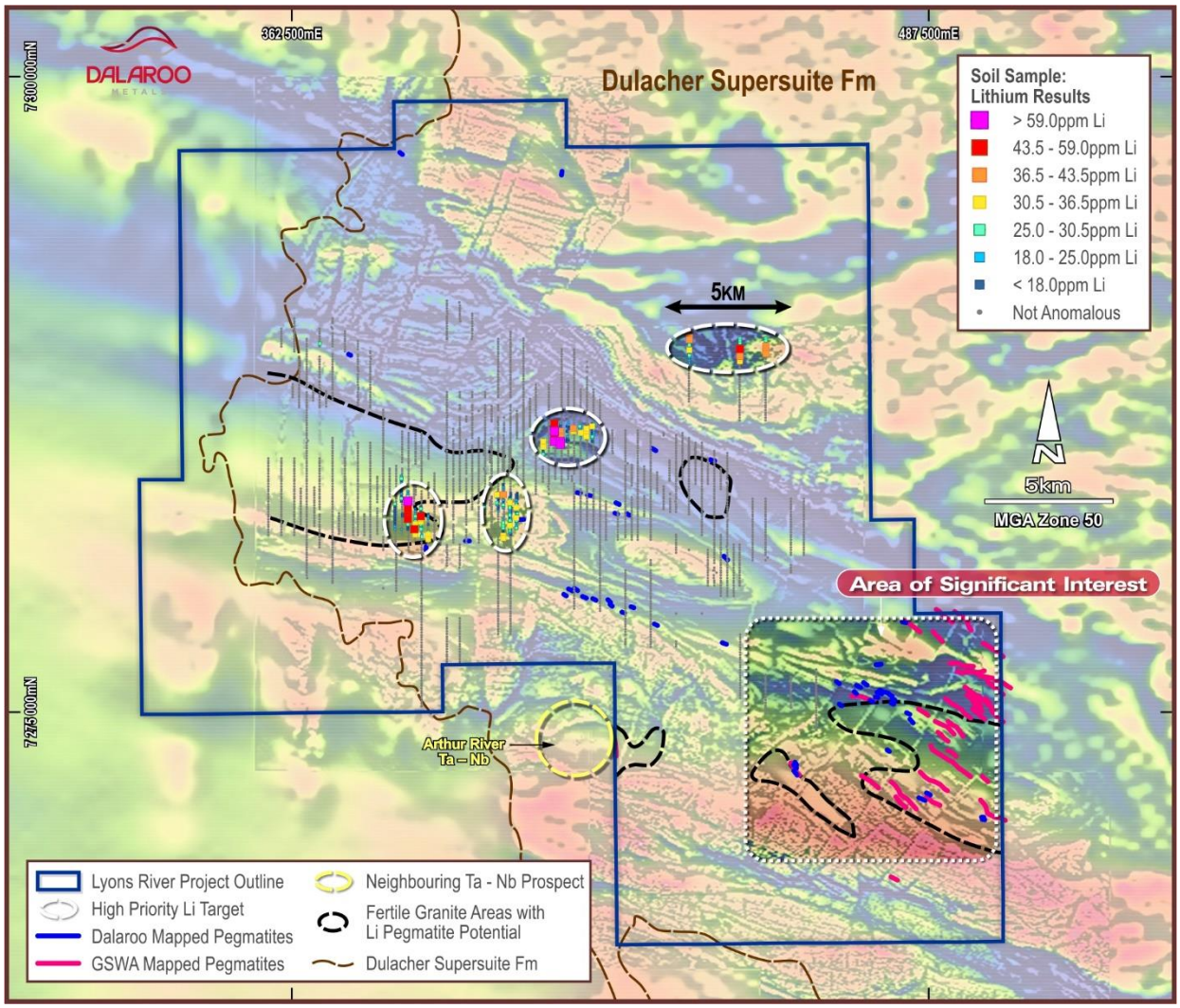

Figure 1: Lyons River Project, multiple lithium anomalies, fertile granite areas and area of significant interest with pegmatite swarm

Next Steps

"Further assessment of our lithium anomalies in conjunction with other data sets and in-field investigation by a lithium expert geologist commencing in June will determine their significance and the ability to host lithium rich pegmatites," said Dalaroo Managing Director, Harjinder Kehal.

A program of field geological mapping and rock chip sampling of outcropping pegmatites on the high priority lithium targets generated by multi-element data review and geophysical targets.

Dalaroo will also undertake infill soil sampling programs at the various lithium targets.

Results from the field geological mapping coupled with rock chip sampling and subsequent infill soil geochemical sampling programs will guide the next phase of exploration including RC drill testing to determine the extent of Li rich pegmatites.

ENDS

For more Information:

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

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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.

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.

Key Reference:

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

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 2).

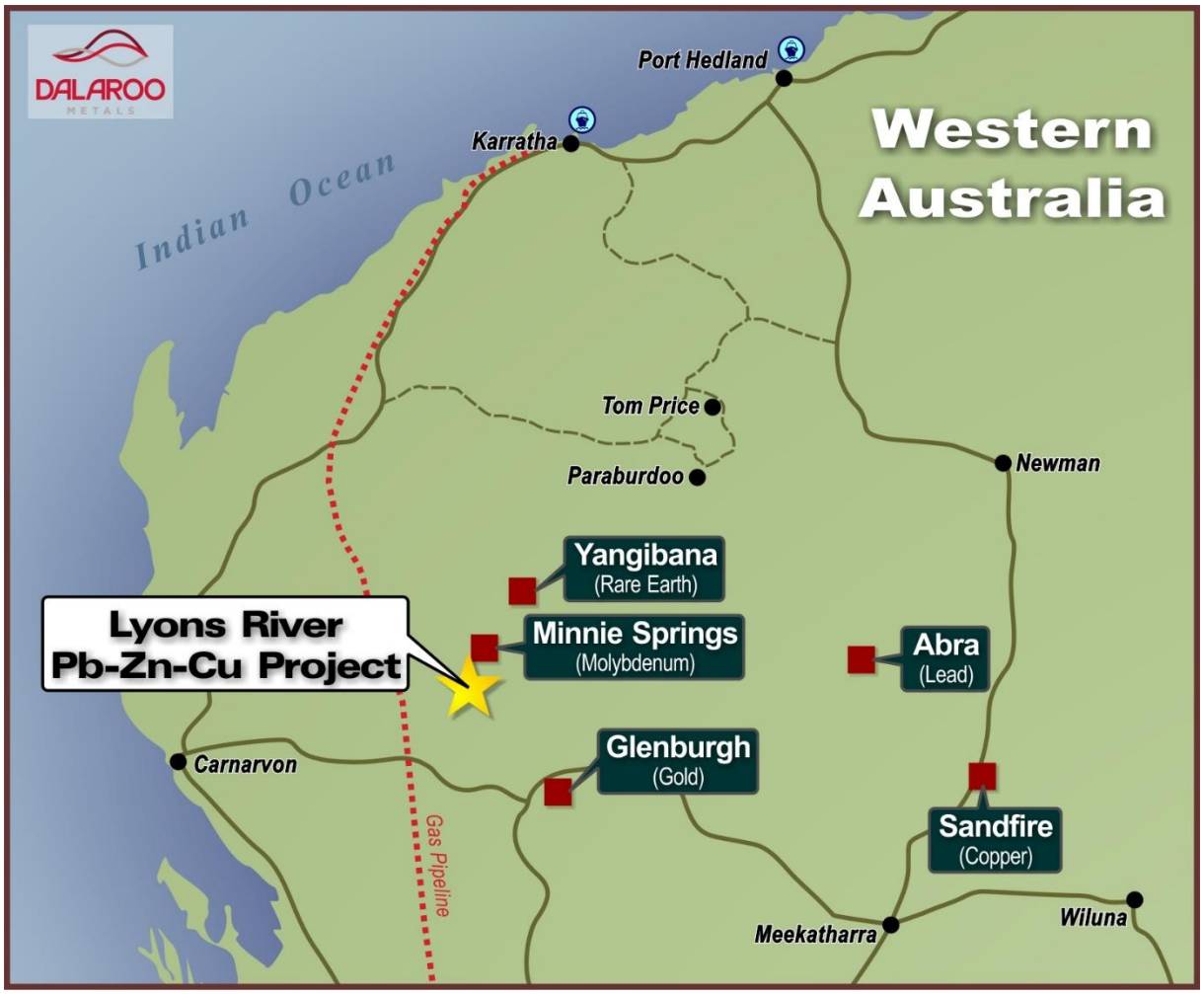

Figure 2: Lyons River Project location diagram

Appendix 1: Dalaroo Metals Ltd – Lyons River Project – Goodbody 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	*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. Soil sampling results are a first pass exploration technique that can assist in vectoring toward mineralisation 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.
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.*	No drilling results reported.
	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.*	40g sub-sample of the soils were digested in an aqua regia solution and analysed for a multielement suite by ICP MS. The aqua regia technique is not a complete digestion but for soil material is considered adequate. Selected soil samples were analysed using 4 Acid digest - 0.2g/t Al, Ca, K and Na have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry Be, Ce, Cs, Nb, Rb, Re, Sn and W have been determined by 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 Pastoral Station. 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 and gneiss and Davey Well Granite. Quartz vein and shear hosted gold deposits
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.
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.*	No adjustments to the assay results as reported have been undertaken. No drilling. No drilling.

Criteria	JORC Code explanation	Commentary
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 drilling. No drilling. No drilling.
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.*	No drilling.
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.*	The Company's geological team will field check soil geochemical anomaly prior to planning additional field work. Work will likely include geological mapping ahead of proposed drill testing.
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 are provided in the body of the report.