Footprint of Pb-Zn-Ag mineralisation system continues to grow at Browns prospect, Lyons River, Gascoyne Province

Highlights

- **Recent assays of Phase 2 Browns drilling returns numerous mineralized intersections including:**
  - ***63m @ 1.76g/t Ag from 16m (LRAC032)***
  - ***16m @ 1.43g/t Ag from 68m (LRAC033)***
  - ***21m @ 0.33% Pb, 0.17% Zn, 0.52g/t Ag from 1m (LRAC034)***

- **Selected 1m resampling assays of Phase 1 Browns drilling confirms higher grade Pb intervals:**
  - ***10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m (LRAC010)***
  - ***Including 1m @ 3.13% Pb, 0.24% Zn,5g/t Ag from 38m***

- **Thickest Pb, Zn, and Ag intercepts to date provide evidence for potential northeasterly structures controlling higher grade mineralization.**

- **Geology intersected in Phase 2 drilling at northern edge of southern Browns BHT/SEDEX target highlights continued prospectivity to south, to be tested.**

- **Numerous stratigraphic markers identified in recent drilling builds an understanding of the basin, assisting vectoring to BHT/SEDEX deposits within the Browns prospect 2km X 1km area.**

Dalaroo Metals Ltd ("**Dalaroo**" or "**Company**") (ASX Code: **DAL**) advises that assay results from Phase 2 aircore (AC) drilling at the Lyons River Project has extended the footprint of the Pb-Zn-Ag mineralized system at the Browns prospect to approximately 400m in thickness in its central portion. Lyons River comprises a strategic (100% owned) land position of 703 km^2 within the Proterozoic Mutherbukin Zone of the Gascoyne Province, Western Australia. Dalaroo believes the district is an emerging Broken Hill Type ("BHT") /Sedimentary Exhalative ("SEDEX") deposit setting. The Browns prospect is one of six Pb-Zn soil geochemical prospects identified at Lyons River within a Proterozoic Age basin setting covering an area of 30km by 10km (Figure 3).

Dalaroo's Managing Director, Harjinder Kehal commented: "*We are encouraged by the continuing indications of fertility for BHT/SEDEX style mineralization in the Browns prospect area, with further evidence for anomalism in Pb, Zn, or Ag (63m @ 1.76 g/t Ag) within thick and extensive sections of stratigraphy, and localized high grade Pb intercepts of up to 3.13% Pb confirmed, in a geological setting compatible with the target mineral system style".*

Technical Commentary - Browns prospect Pb-Zn-Ag

In December 2022, 16 AC holes totaling 1,153 m (Table 1) were drilled at the Browns prospect with the objective of testing:

(1) Zn soil and rock chip geochemical anomalism in southern Browns beyond the limits of previously drill-tested zone - in particular the northern edge of an interpreted "trough" or fold structure deemed highly prospective for BHT/SEDEX deposits,

(2) extensions to mineralization intersected in the previous AC drilling at Browns,

(3) conceptual geological targets with the purpose of advancing the understanding of the host basin sequence and paleo-architecture to guide follow-up targeting.

In the previously discovered Pb-Zn-Ag mineralized zone at "central Browns", mineralization remained open to the south and up-dip from LRAC010 (e.g. 10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m). In this drilling campaign, known mineralization in LRAC010 was extended up-dip to the surface oxide zone with the intersection of 21m @ 0.33% Pb, 0.17% Zn, 0.52g/t Ag from 1m (LRAC034).

Importantly, approximately 150m south of the mineralized units in LRAC010 and LRAC034, thick zones of variably pyritic biotite-quartz gneiss, likely representing metamorphosed shales, were intercepted and found to be enriched in silver, returning 63m @ 1.76g/t Ag from 16m (LRAC032) and 16m @ 1.43g/t Ag from 68m (LRAC033). **This extends the footprint of Pb-Zn-Ag mineralized system at Browns to approximately 400m in thickness in its central portion** (Figure 1 and 2). The location of higher grade mineralized intercepts supports management's previous interpretation that BHT/SEDEX mineralizing processes may be related to an oblique NE-trending structure that transects the NW-trending basin stratigraphy.

The drilling of bedrock beneath surface geochemical anomalism in southern Browns intersected mostly biotite-quartz-feldspar gneiss and quartzite with sulfide-bearing schists towards end-of-hole LRAC021. The anomalous zinc in geochemical samples is attributed to a secondary enrichment process with the source of metals weakly zinciferous biotite-rich schists intercepted in this zone, which are found to have elevated background zinc contents (up to 804 ppm in LRAC027).

Significantly, the geological transition to more pyritic and phyllosilicate-rich units identified at the southern limits of the tested area (from 80m depth in LRAC021) is interpreted to represent a transition in the pre-metamorphic protolith stratigraphy to lower energy sedimentary units, considered more prospective for BHT/SEDEX type deposits. Therefore, future investigations will continue to test southwards into this domain, which also coincides with the "trough" structure epicenter interpreted from detailed gravity plus airborne magnetics geophysical data.

Resampling and assay of composited drill samples, collected in the first phase of AC drilling at Browns (DAL: ASX - see announcement from 12 September 2022), has been completed to obtain grade intercept data at the 1m interval resolution. The mineralized intersections defined in the first sampling and assay campaign have been repeated and, significantly, high grades of Pb have been returned at the 1m interval scale. Results include 1m @ 3.13% Pb from 38m, 0.24% Zn, 5g/t Ag from 38m (LRAC010). This intercept suggests that localized high grades of base metals and silver (e.g. percent levels of Pb) mineralization identified in surface rock chips (39.6% Pb, 0.71% Zn, 82g/t Ag; (DAL: ASX – see announcement from 15 November 2022) exist in the subsurface hypogene mineral system at Browns.

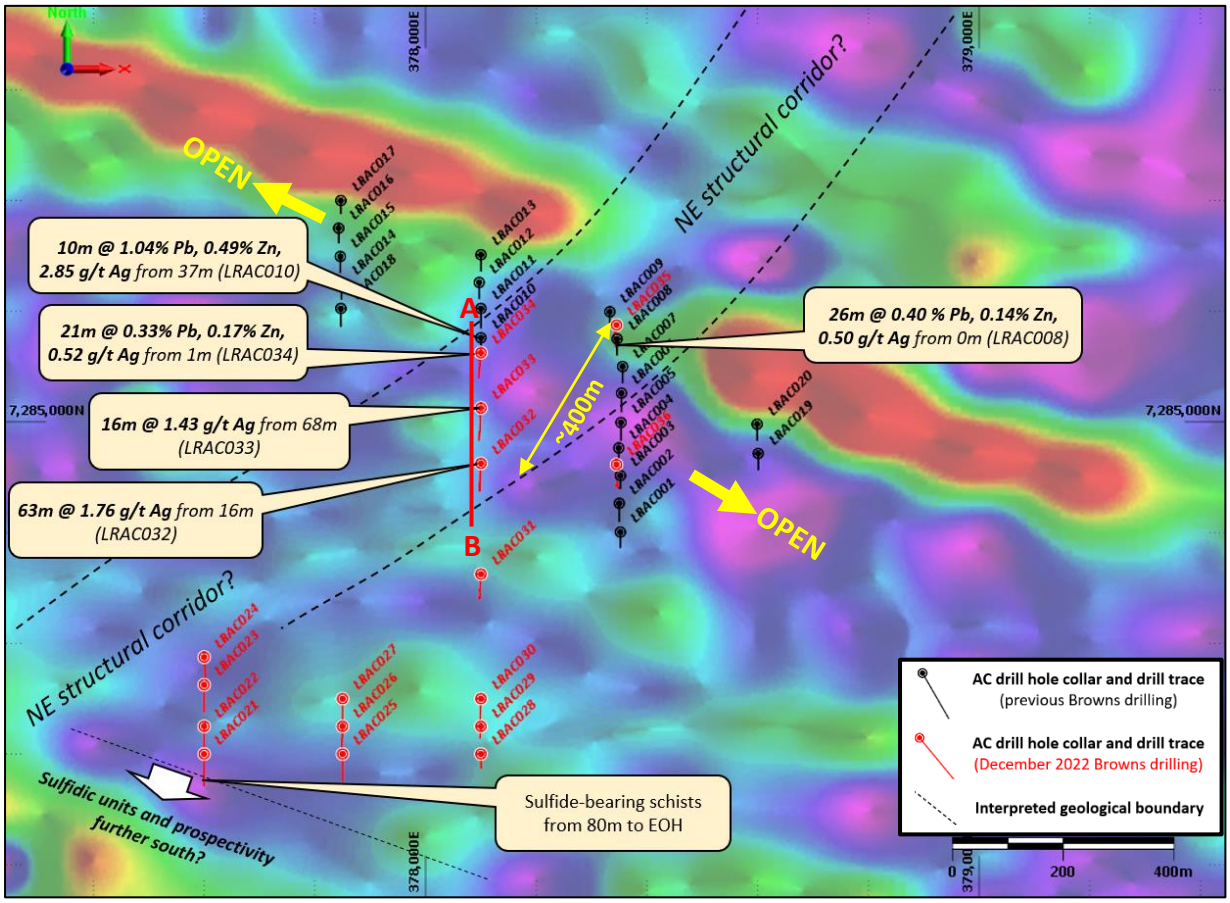

Figure 1: Map view of aircore drilling completed at Browns on ground gravity data basemap. Note location of newly reported mineralized intersections and structural interpretation. See Figure 2 for annotated cross-section A-B.

Next Steps at Lyons River Project

Browns: Pb-Zn-Ag

Dalaroo proposes to carry out Induced Polarisation (IP) geophysical surveys supported with additional close-spaced surface geochemical sampling in the next phase of exploration. The goal of these surveys will be the delineation of a mineralized body at depth that possesses not just the surface geochemical signature, but also the geophysical properties, characteristic of a significant BHT/SEDEX deposit in the Browns prospect area (Figure 3).

Deeper diamond drilling is also proposed to better understand the geological transition to more pyritic and phyllosilicate-rich units identified at the southern limits of the drill tested area interpreted to represent a transition in the pre-metamorphic protolith stratigraphy to lower energy sedimentary units, considered more prospective for BHT/SEDEX type deposits.

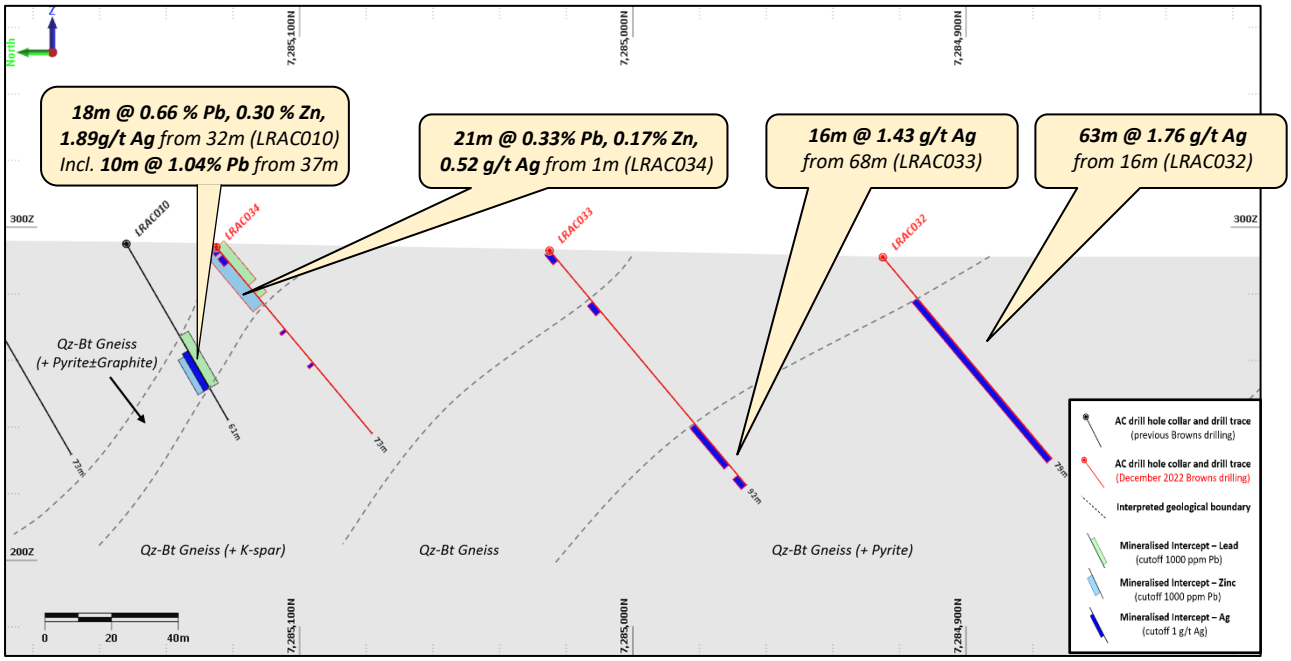

Figure 2: Simplified cross section A-B (see Figure 1) displaying selected mineralized drilling intercepts.

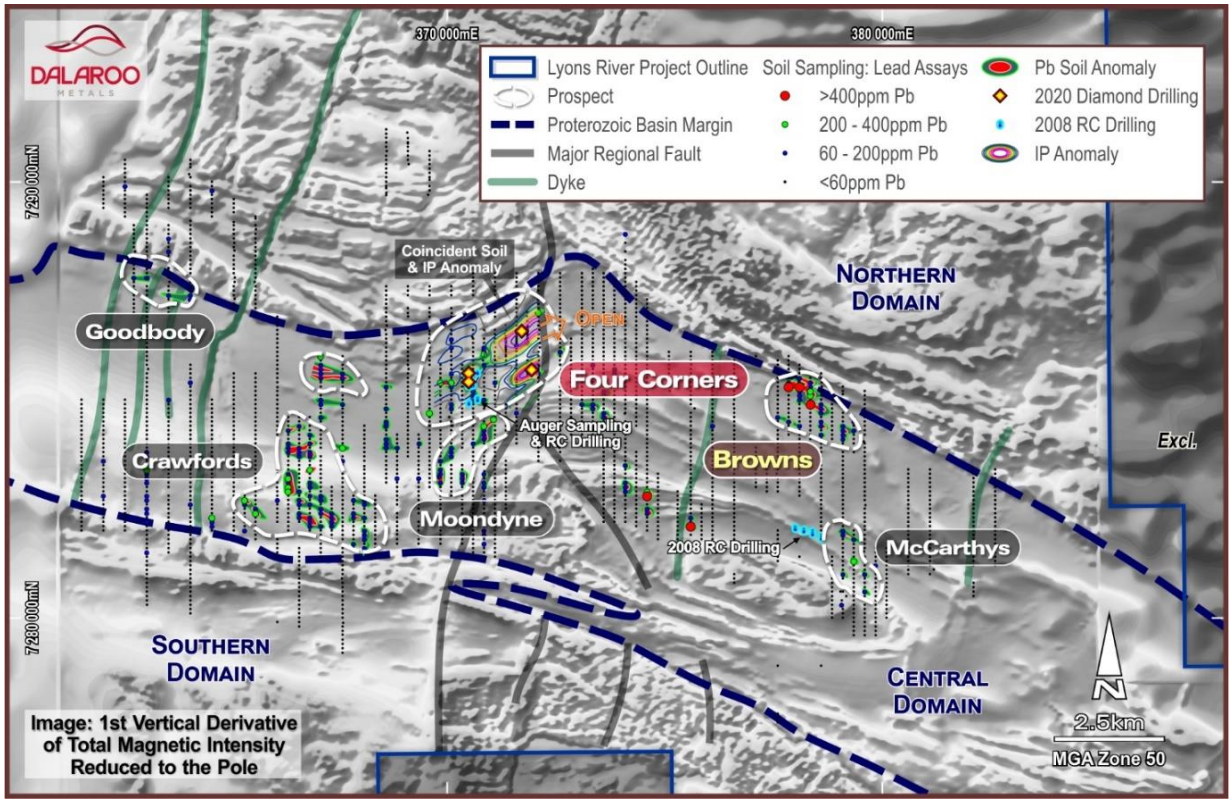

Figure 3: Lyons River, Browns prospect and other five Pb-Zn soil geochemical prospects /targets over greyscale 1 Vertical Derivative image

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.

Table 1: Browns prospect AC drill locations

Drillhole	MGAE	MGAN	Nominal RL	Dip (°)	Azimuth (mag)	Depth (m)	Tenement
LRAC021	377600	7284400	290	-50	180	91	E09/2102
LRAC022	377600	7284450	290	-50	180	61	E09/2102
LRAC023	377600	7284525	290	-50	180	79	E09/2102
LRAC024	377600	7284575	290	-50	176	73	E09/2102
LRAC025	377850	7284400	289	-50	180	79	E09/2102
LRAC026	377850	7284450	289	-50	182	67	E09/2102
LRAC027	377850	7284500	289	-50	180	66	E09/2102
LRAC028	378100	7284400	288	-50	180	42	E09/2102
LRAC029	378100	7284450	288	-50	185	36	E09/2102
LRAC030	378100	7284500	288	-50	182	79	E09/2102
LRAC031	378100	7284725	290	-50	183	73	E09/2102
LRAC032	378100	7284925	291	-50	182	79	E09/2102
LRAC033	378100	7285025	293	-50	183	92	E09/2102
LRAC034	378100	7285125	294	-50	185	73	E09/2102
LRAC035	378345	7285175	295	-60	182	76	E09/2102
LRAC036	378345	7284923	295	-60	178	87	E09/2102

About the Lyons River Project

Lyons River is located approximately 1,100km north of Perth and approximately 220km 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 4).

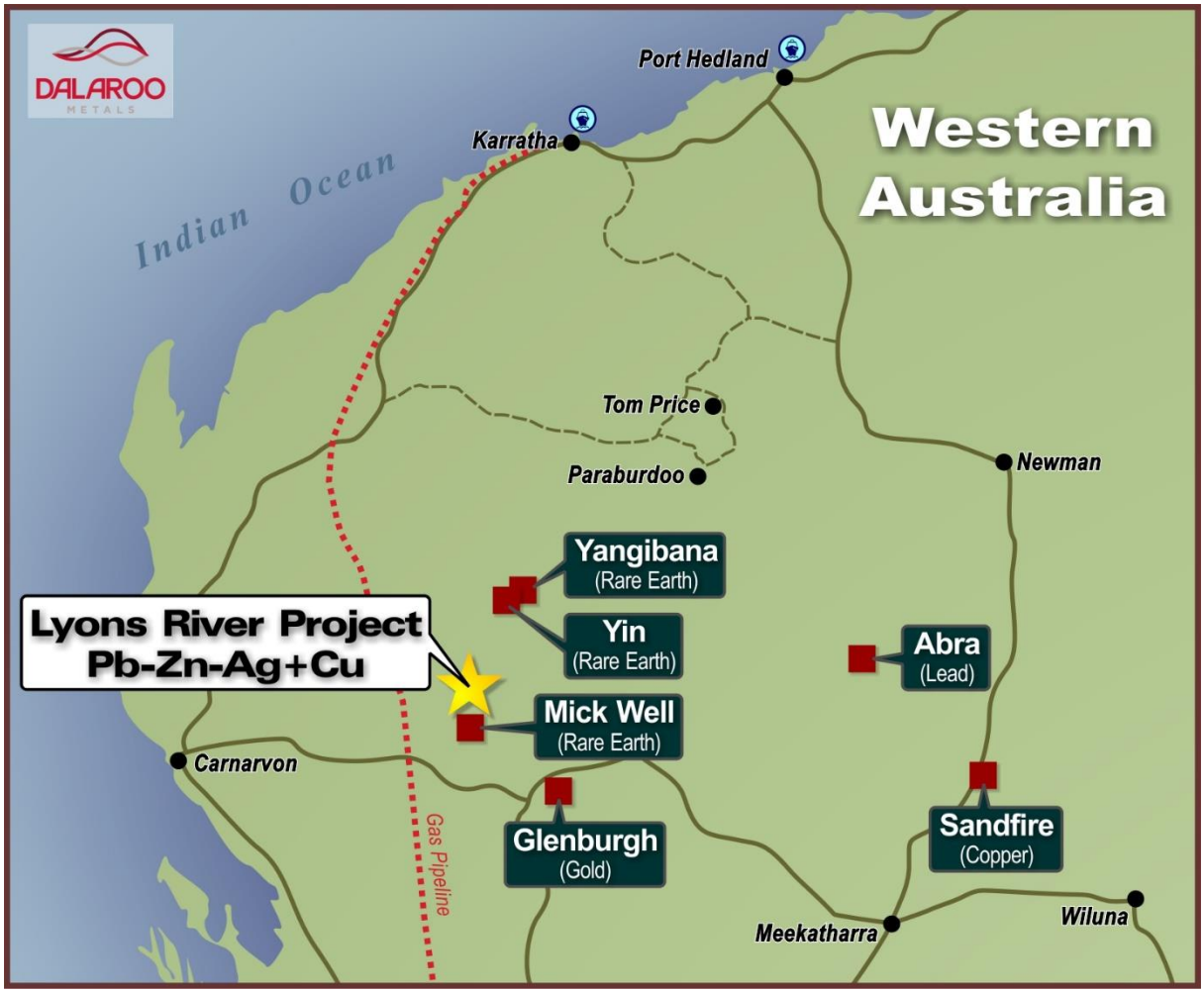

Figure 4: Lyons River Project location diagram

The majority of exploration to date at Lyons River had focused on the Four Corners prospect where an EIS funded diamond drill programme was completed in late 2020 by previous explorer Serena Minerals Limited intersecting an encouraging primary zinc (sphalerite) and lead (galena) sulphide mineralisation intercept in drill hole LRDD003 of **0.2m @ 3.05% Pb, 1.37% Zn and 3g/t Ag** from 223.2m) along the strike extent of the *NE zone* of the 2.5km Induced Polarisation anomaly peaking at 33 mV/V (Figure 5).

Subsequently follow up RC holes drilled in December quarter 2021 by the Company were successful in intersecting zones of interbedded psammitic to pelitic plus mafic lithologies together with multiple zones of disseminated base metal sulphides associated with significant pyrite intervals.

(ASX: DAL – see announcement from 16 March 2022). Multi-element assay results received, highlighted encouraging Pb, Zn and Ag intersections including:

- Drill LRRC001 intersected 1**m @ 0.43% Pb, 0.95% Zn and 7.5g/t Ag from 47m**
- Drill hole LRRC006 with 9m @ 0.34 % Pb, 0.21% Zn and 1g/tAg from 141m **including 5m @ 0.48% Pb, 0.26% Zn and 1.3g/t Ag from 144m**

Of special note are the significant intervals of Ag assays that have been intersected in the RC drill programme at Four corners with two holes (LRRC001 and LRRC006) returning Ag values of up to 7.5g/t (Figure 6). The presence of Ag confirms that the Pb-Zn base mineralization outlined to date supports a BHT/SEDEX setting model over Lyons River.

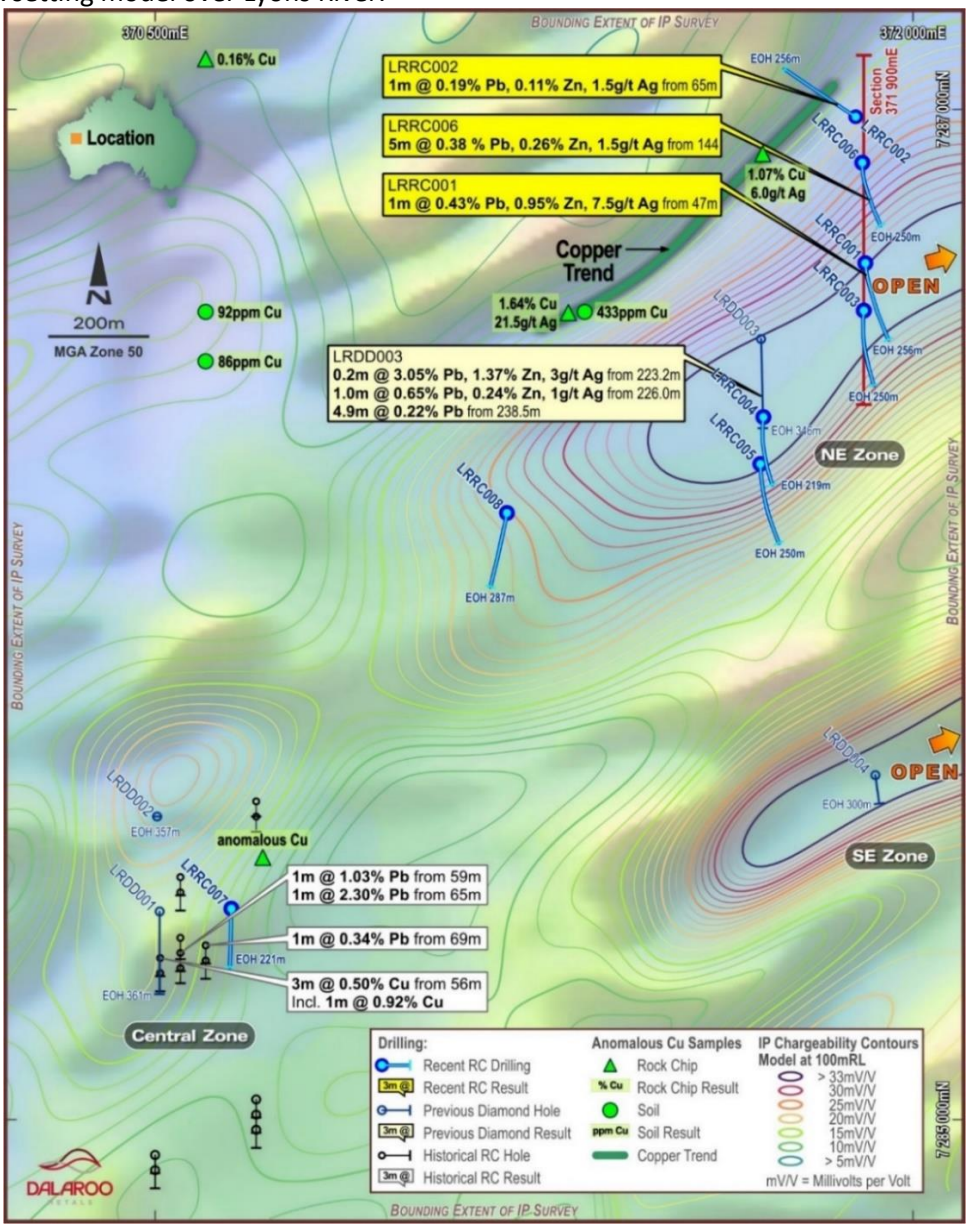

Figure 5: Four Corners prospect, drill hole location map with historical holes, DAL's recently completed RC drill holes and base metal results.

Sweet Spots for SEDEXs/BHTs

Geoscience Australia's 2019 study, using *surface wave tomography and a parameterisation for anelasticity at seismic frequencies* shows 85% of world's sediment hosted base metal deposits occur within 200km of the edges of thick lithosphere. The Australian model shows striking correlation between major sediment hosted deposits and edge of thick lithosphere, defined by 170km lithosphere-aesthenosphere boundary (LAB) contour. Lyons River Project is located 156km away from the 170km LAB contour (Figure 6).

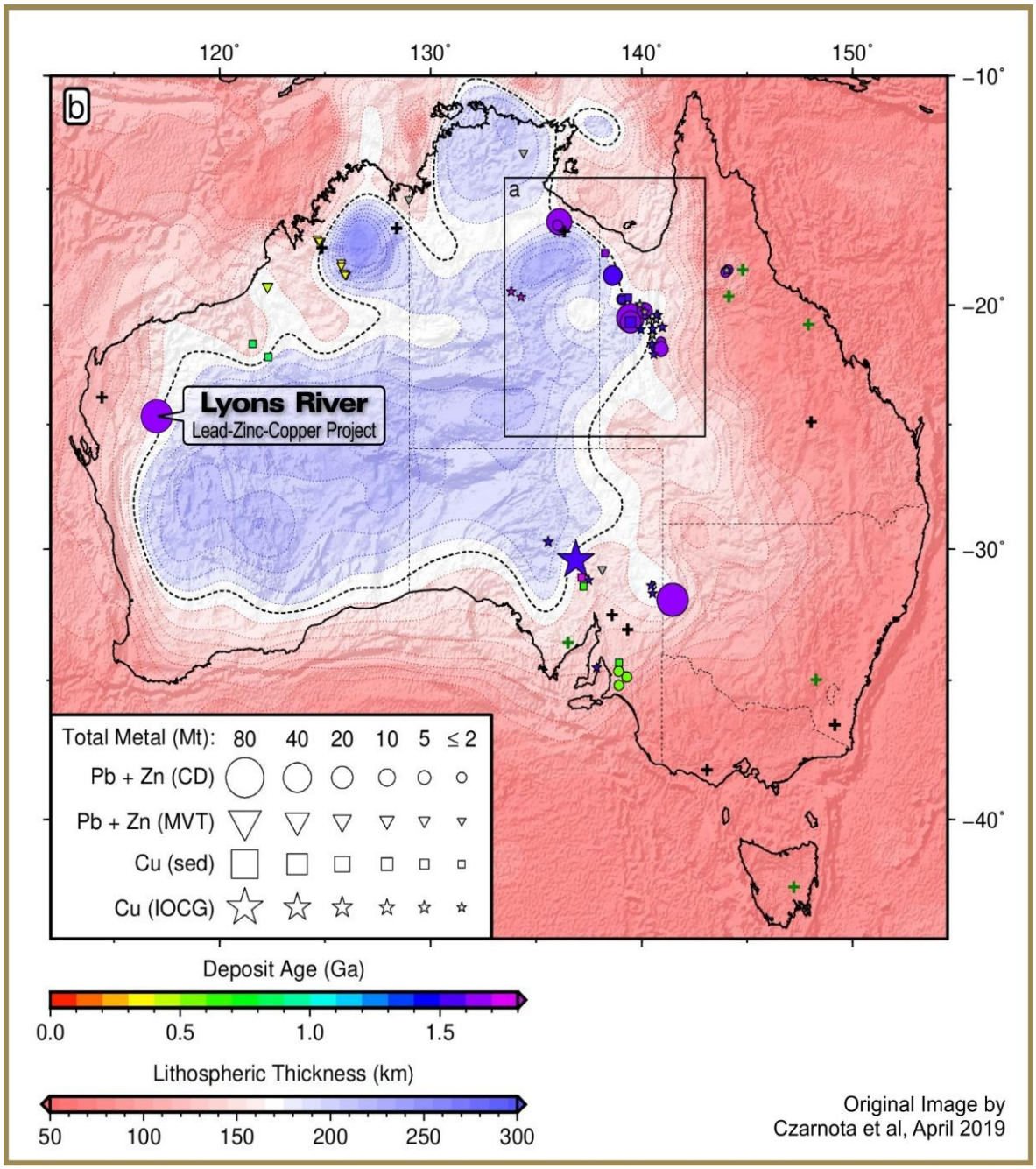

Figure 6: Distribution of BHT/SEDEX deposits, function of lithospheric thickness in Australia

Appendix 1: Dalaroo Metals Ltd – Air core (AC) Drilling Program Lyons River Project – Browns 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.*	Sampling was completed using air core (AC). AC drill samples were collected at 1m intervals in a cyclone at the side of the drilling rig and a sub-sample collected via a cone splitter. The samples were laid out on the ground in piles for sampling and logging. Occasional wet samples were contained in a dug shallow pit. Four metre composite samples were taken from 1m interval sample piles using a scoop, and collected in numbered sample bags. 1m samples retained for future analyses if 4m composites return anomalous assays. Cyclones regularly cleaned to remove hung-up clays and avoid cross-sample contamination. All sampling by conventional base metal industry drilling methods. Duplicate samples collected to test sample representivity.
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.).*	AC drilling used a face sampling bit with standard 3.5" aircore drill bit. Strike Drilling completed the drilling.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *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.*	Minor wet intervals occur and can affect AC sample recovery. Chip sample recovery logged. Sample recovery generally excellent in weathered and fresh rocks. Drilling has utilised AC rig of sufficient size and air capacity to maximisé recovery and provide dry chip samples. No indication of sample bias is evident or has been established.

Criteria	JORC Code explanation	Commentary
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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Geological logging of all drillholes included; lithology, grainsize, texture, deformation, mineralisation, alteration, veining, colour, weathering. Chip-trays of samples collected. Drillhole logging of AC chips is qualitative on visual recordings of rock forming minerals & estimates of mineral abundance. All drillholes were logged in their entirety.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *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.* *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	AC are collected as 1 metre samples and then composited to 4m by tube/spear sampling. Samples are typically dry. Sub-sample methods appear appropriate for deposit and sample type using accepted industry practices. AC samples have field duplicate samples taken at regular intervals and compared. Samples sub-sampled using accepted splitting techniques and have been delivered to laboratory for total preparation by crushing and pulverisation, before being sub-sampled for analysis. Sample sizes are generally appropriate for grain size and materials sampled.
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.*	Samples analysed for Ca, Cr, Cu, Fe, K, Mg, Mn, Na, P, S, Ti and Zn have been determined by Inductively Coupled Plasma (ICP). Ag, As, Ba, Co, Li, Ni and Pb have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry All samples analysed by Bureau Veritas Laboratory QAQC measures including certified reference standards and field duplicates samples and umpire laboratory check samples to be carried out have shown acceptable levels of accuracy and precision.

Criteria	JORC Code explanation	Commentary
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.*	Data was captured using Microsoft excel.
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 drillhole collars are surveyed with a handheld GPS unit with an accuracy of ±5m 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 ±2m based on detailed DTM data.
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.*	AC drillhole spacing 50m and line spacing 250m. The Competent Person considers that the paucity of drilling at Browns prospect, Lyons River Project is insufficient to establish grade continuity but is indicative of mineralisation appropriate to an early-stage exploration project.
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.*	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.
Sample security	*The measures taken to ensure sample security.*	Individual calico sample bags from the AC drilling were placed in polyweave bags and hand delivered directly to the assay laboratory in Perth by company personnel.

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	None of the drilling has been subject to audit. The Competent Person does not consider this to be material for early-stage exploration projects.

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.
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 BHP, Altera and Serena and the Competent Person has referenced the parties involved and the results of this work throughout the text.
Geology	*Deposit type, geological setting, and style of mineralisation.*	The primary mineralisation style being sought is metamorphosed base metal mineralisation of the Broken Hill type (BHT) and SEDEX.
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.*	Refer to table of drillhole collars in body of report.

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.*	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. No metal equivalent values have been reported.
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').*	All drillhole intercepts/intervals are measured downhole in metres.
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 diagrams are included in the main body of this 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.*	Assay results presented are balanced.
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.*	Detailed high quality aeromagnetic, IP, gravity datasets and soil geochemistry.

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.*	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. These diagrams are included in the main body of this report