



DALAROO METALS LTD
ACN 648 476 699

Financial Statements
For the Year Ended 30 June 2024

DALAROO METALS LTD
ACN 648 476 699

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DALAROO METALS LTD
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CORPORATE DIRECTORY

Directors	David Quinlivan – Non Executive Chairman Joshua Gordon – Non Executive Director (appointed 28 June 2024) Bilal Ahmad – Non Executive Director (appointed 28 June 2024) Robert Beeck – Non Executive Director (resigned 28 June 2024) Harjinder Kehal – Managing Director
Company secretary	John Arbuckle
Annual General Meeting	11.00 am Friday 29 November 2024 at Level 2 9 Havelock Street West Perth WA 6005
Registered office	Suite 1, 346 Barker Road Subiaco, WA 6008
Principal place of business	Suite 1, 346 Barker Road Subiaco, WA 6008
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	Hall Chadwick 283 Rokeby Road Subiaco, WA 6008
Solicitors	AGH Law Level 1, 50 Kings Park Road West Perth, WA 6005
Stock Exchange Listing	Dalaroo Metals Ltd is listed on the Australian Securities Exchange. The home exchange is Perth, Western Australia (ASX code: DAL)
Website	www.dalaroometals.com.au

Company Information

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia.

The Company is domiciled in Australia.

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CHAIRMAN'S REVIEW

Dear Shareholder

On behalf of the Board of Dalaroo Metals Ltd ("Dalaroo" or the "Company"), I am pleased to present the Annual Report for the financial year ending 30 June 2024.

Our maiden aircore drilling program at the Goodbody West prospect has discovered a gold system underneath high-grade gold-bearing outcropping quartz veins within a gold soil geochemical anomaly at Goodbody extending over a strike length of 6km at the Company's Lyons River Project in the Gascoyne Province of Western Australia. This first pass drilling shows that the gold mineralisation at Goodbody West remains open along strike and at depth. Drilling has outlined gold mineralisation over a strike length of least 200m with encouraging grades of 5m @ 0.85g/t from 9m including 1m @ 1.83g/t from 9m and 2m @ 1.23g/t from 12m in the oxide zone.

I am also pleased to announce that subsequently Dalaroo's application for exploration funding in Round 29 of the Western Australian Government's Exploration Incentive Scheme ("EIS") was successful. Dalaroo's \$100,000 EIS grant will be used to co-fund 50% of the direct diamond drilling cost to test its new gold system discovery at Goodbody West. Diamond drilling to be undertaken at Goodbody pursuant to this grant will greatly enhance our geological knowledge of the structural features controlling gold mineralization.

During the year Dalaroo completed a deep diamond drilling program at its Browns prospect, Lyons River Project. Four deep diamond core holes have tested a highly prospective and a very compelling Pb-Zn-Ag base metal target covering an area of 3km X 2km associated with extensive iron-rich and high-grade gossanous material at surface with results of up to 39.6% Pb, up to 0.71% Zn and up to 82g/t Ag. At Browns, significant Pb-Zn sulphide intercepts of 10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m including 1m @ 3.13% Pb, 0.24% Zn, 5g/t Ag from 38m and 63m @ 1.76g/t Ag from 16m were returned from Dalaroo's shallow AC drilling in completed 2022. The diamond drill program was partly funded by the EIS with a grant for an amount of \$180,000. 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.

High grade copper assay results of 54.8% coupled with silver grades of 80g/t were returned from rock chip sampling program completed during the year over the south-western part of the Browns prospect. Copper assays of 1.64% accompanied by silver assays of 21.5g/t have previously been recorded from rock chip sampling completed at the Four Corners prospect located 5km to the west of Browns. This highlights possible potential for copper within the Lyons River Project.

In December 2023, Dalaroo executed a Sale Agreement with Delta Lithium Limited (ASX: DLI) to sell the rights to lithium, caesium and tantalum minerals (Lithium Minerals) at its Lyons River Project (Lithium Mineral Rights).

The consideration of \$1,000,000 for the transaction comprised \$500,000 in cash and \$500,000 of DLI ordinary shares. In addition to the consideration, Delta Lithium must expend a minimum of 50% of the annual statutory expenditure requirements on the Lyons River Project tenements (a commitment of \$280,000 per annum at the date of the Sale Agreement) for a period of 3 years from Completion

Our disciplined and methodical approach to exploration using the latest techniques during the year continues delineate a number of exciting prospects that are worthy of next phase of drilling and we look forward to actively pursuing our exploration programs in these areas in the year ahead.

In closing I would like to thank all our shareholders, employees and contractors for your continued support of Dalaroo throughout the year.

Yours sincerely



David Quinlivan
Chairman

26 September 2024

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, of Dalaroo Metals Ltd (referred to hereafter as the 'Company' or 'Dalaroo') at the end of, and during, the year ended 30 June 2024.

DIRECTORS

The following persons were directors of the company during the whole of the reporting year and up to the date of this report, unless otherwise stated:

Mr David Quinlivan - Non-Executive Chairman

B.App Sci, MinEng, Grad. Dip. Fin Serv, FAusImm, FFINSA, MMICA

Mr Quinlivan is a mining engineer with significant mining and executive leadership experience, having held 11 years of service at WMC Resources Limited, followed by a number of high-profile mining development positions. Since 1989, Mr Quinlivan has served as Principal of Borden Mining Services, a mining and consulting services firm, where he has worked on a number of mining projects in various capacities.

Currently, Mr Quinlivan is Chairman of Silver Lake Resources (ASX:SLR). Previously, Mr Quinlivan served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President, Chief Executive Officer of Alacer Gold Corporation, Chairman of Churchill Mining PLC and Non-Executive Director of Ora Banda Mining.

Mr Quinlivan is considered to be an independent Director.

Mr Quinlivan was appointed as a Director on 5 March 2021.

Mr Harjinder Kehal - Managing Director BSc (Hons), MMEE, MAusIMM, HAIG

Mr Kehal is a geologist with over 30 years' experience in the mineral resources sector in Australia, Chile, India and Vietnam. Mr Kehal has a proven track record in project management and evaluation, feasibility studies, joint venture negotiations and statutory reporting and played a leading role in the discovery of a number of gold and base metal deposits in Western Australia and the Northern Territory, including the 1 million ounce Golden Cities deposit, 600,000 ounce Tooheys Well gold deposit and Erayinia VMS lead-zinc deposit.

Currently, Mr Kehal is also Managing Director of Serena Minerals Limited. Previous positions include Chief Operating Officer of AXG Mining Ltd and Executive Director and Chairman of Altera Resources Ltd. Mr Kehal was appointed as a Director on 5 March 2021.

Mr Joshua Gordon - Non-Executive Director (*appointed 28 June 2024*)

Mr Gordon is an experienced corporate finance professional who has raised capital for many small and emerging resource and energy companies on the ASX. Mr Gordon is well versed in all facets of the Equity Capital Market transaction lifecycle with deep experience in transaction origination, structuring, execution and distribution. Mr Gordon holds a Bachelor of Commerce (Finance) from Monash University and a Master of Management (Accounting) from the University of Melbourne. Mr Gordon is also a Non-Executive Director of Traka Resources Limited and a Non-Executive Director of Advance Metals Limited.

Mr Bilal Ahmad - Non-Executive Director (*appointed 28 June 2024*)

Mr Ahmad is an accomplished investor with an extensive 15-year track record of strategic investments in ASX-listed companies and private ventures. His focus spans the resources, technology, and life science sectors, where he has consistently deployed capital to support growth and innovation of emerging companies. Mr Ahmad holds a Bachelor of Medicine and a Bachelor of Surgery.

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DIRECTORS' REPORT

Mr Robert Beeck - Non-Executive Director MBA, Associate Member of the AusIMM (*resigned 28 June 2024*)

Mr Beeck has over 30 years' experience in mineral processing operations management in Australia with relation to nickel, diamonds, gold and iron ore. Mr Beeck has held senior roles in mine operations, feasibility studies, engineer design and construction of ore processing and infrastructure projects. Mr Beeck is an associate member of the AusIMM and Master of Business Administration (University of Western Australia). Currently, Mr Beeck is General Manager of API Management, the manager of the joint venture of the West Pilbara Iron Ore Project.

Mr Beeck is not considered to be an independent director given he is a Director of Serena Minerals Limited and Shenton Resources Limited, both substantial shareholders of the Company.

Mr Beeck was appointed as a Director on 5 March 2021.

COMPANY SECRETARY

Mr John Arbuckle B.Bus, CPA

Mr Arbuckle is an accountant with over 30 years' experience in the resource industry with extensive experience in Company Secretary, Chief Financial Officer and Non-Executive Director roles in ASX listed companies. He has previously held senior financial management roles with CRA Ltd, North Ltd, Anaconda Nickel Ltd and was the Chief Financial Officer of Perilya Ltd and Mt Gibson Iron Ltd before starting his own company secretarial and corporate advisory business.

PRINCIPAL ACTIVITIES

During the financial year the principal activities of the company consisted of exploration activities at the company's exploration tenements situated in Western Australia.

There were no other significant changes in these activities during the financial year.

RESULTS OF OPERATIONS

The net loss for the Company after providing for income tax amounted to \$1,541,538 (2023: \$2,472,701).

The Company continues to undertake exploration and evaluation activities on its tenements located in Western Australia.

REVIEW OF OPERATIONS

Dalaroo's Lyons River and Namban projects occupy a large strategic land position totalling 1,275 km² with scale to host significant sized orebodies located in the Tier 1 jurisdiction of Western Australia (Figure 1).

Lyons River in the Gascoyne Region of Western Australia

Dalaroo's Lyons River Project is a strategic (100% owned) land position of 838 km² within the Proterozoic Mutherbukin Zone of the Gascoyne Province, located 220km north-east of Carnarvon (Figure 2). Lyons River is prospective for vein/shear related gold, base metals (Pb-Zn-Ag), copper and rare earths deposits (Figure 3).

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DIRECTORS' REPORT



Figure 1: Dalaroo Metals projects Location

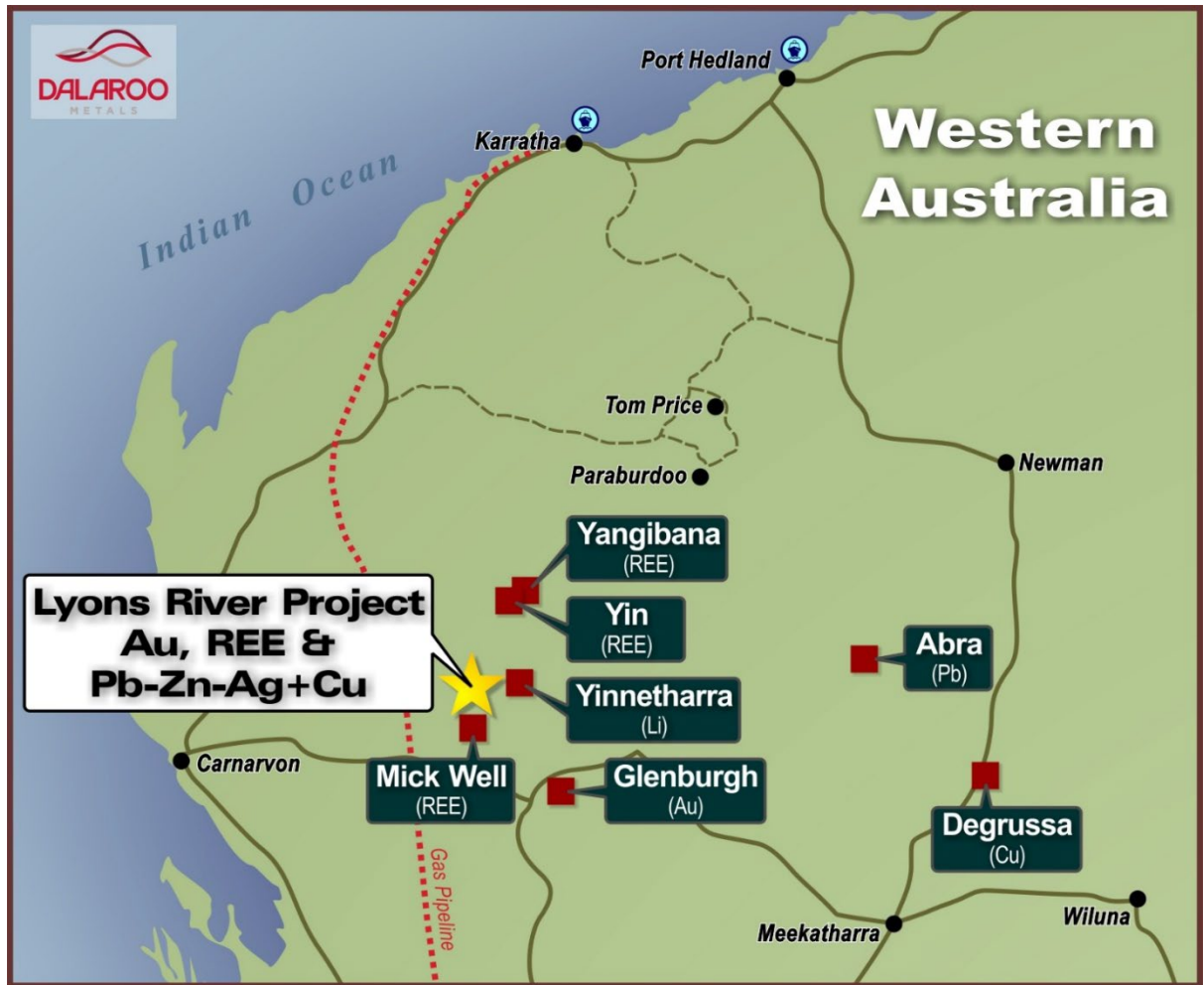


Figure 2: Lyons River Project location

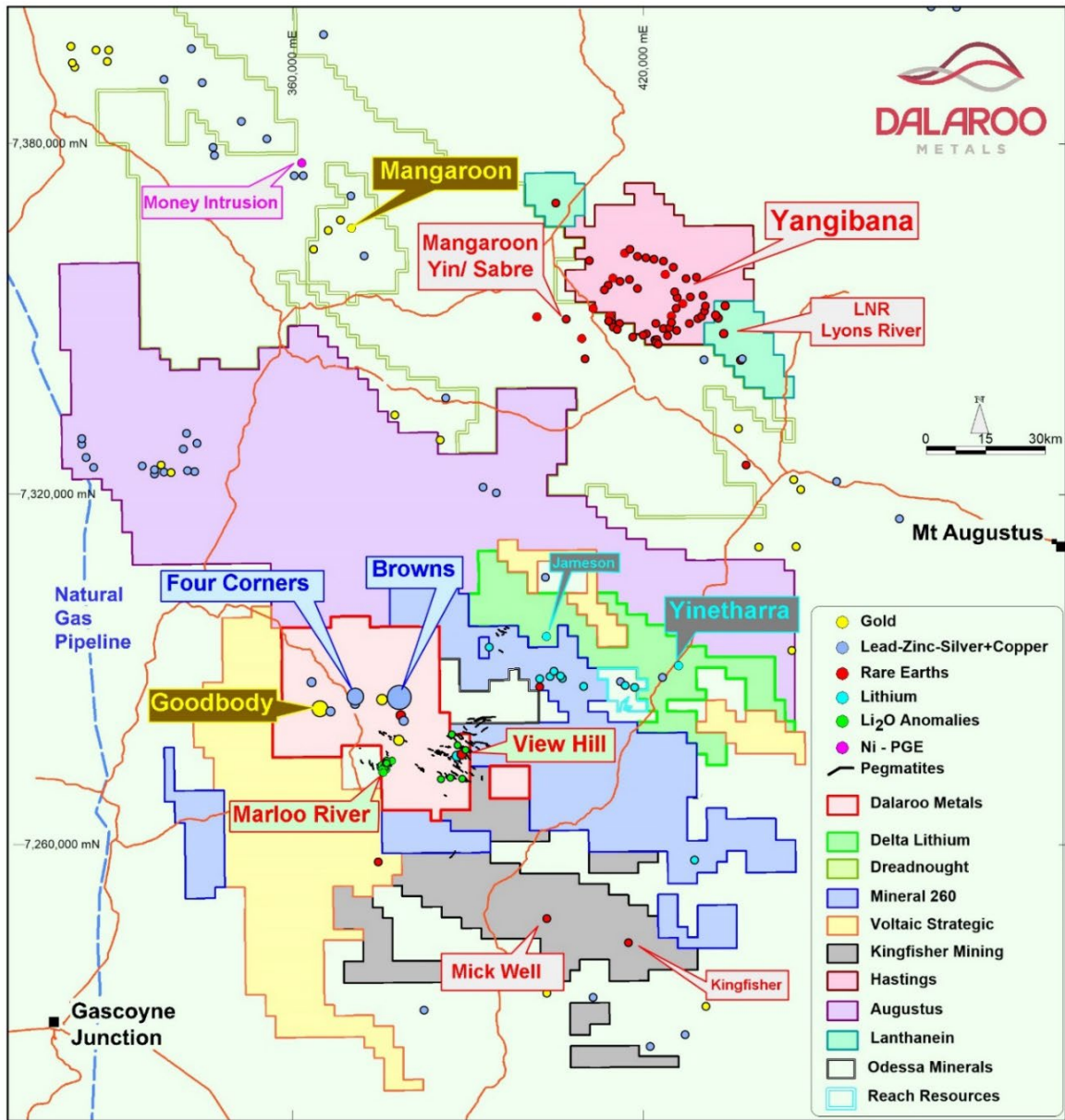


Figure 3: Gascoyne Province gold, rare earth and lithium companies and prospects

Gold System Discovery at Goodbody

Gold mineralization has been outlined in outcropping quartz veins at Goodbody within robust gold in soil anomalies with peak gold values of 132ppb Au at Goodbody West, 93ppb Au at Goodbody Central and 50ppb Au at Goodbody East. The footprint of the Goodbody prospects lies within a broader, 6km long, gold in soil anomaly at 2ppb threshold (Figure 4) (refer DAL ASX Announcement from 26 February 2024).

DIRECTORS' REPORT

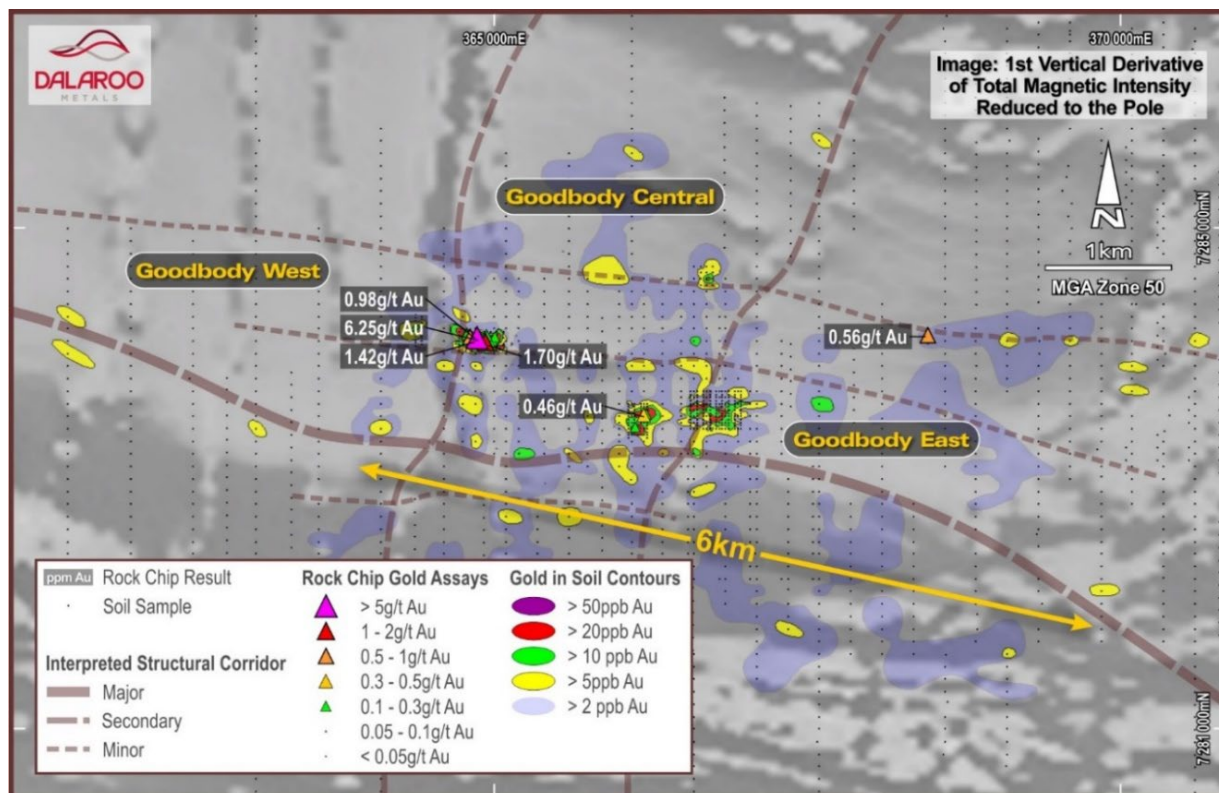


Figure 4. Location of recent rock chip samples within the Goodbody gold prospect area and soil geochemical anomalies. Overlaid on greyscale Total Magnetic Intensity (TMI)1VD basemap imagery.

Air-core drilling

Aircore (AC) drilling was undertaken at the Goodbody West prospect in March Quarter 2024 to test the down-dip extension of surface mineralisation defined through geological mapping and surface sampling completed in 2023. Exploration work by Dalaroo has identified outcropping, WNW-trending mineralised quartz veins (up to 6.25g/t Au) over 200m strike, hosted within a metasedimentary rock package comprising pelitic schist, chert, ironstone, and BIF (refer DAL ASX Announcement from 28 November 2022). Veins at surface are typically developed parallel to foliation and locally contain ferruginous oxide phases.

A program of 19 AC holes (867m) was completed on five north-south traverses covering 300m strike, to a maximum vertical depth of 42m (Figure 5) (refer DAL ASX Announcement from 16 April 2024).

Significant (> 0.1g/t Au) results from the program included:

- **LRAC047:** 5m @ 0.85g/t Au from 9m, including **1m @ 1.83g/t** from 9m
- **LRAC048:** 21m @ 0.21g/t Au from 24m, including 1m @ 0.55g/t Au from 26m
- **LRAC049:** 1m @ 0.98g/t Au from 3m
- **LRAC051:** 7m @ 0.36g/t Au from 17m, including **1m @ 1.17g/t** Au from 19m
- **LRAC052:** 19m @ 0.23g/t Au from 24m

DIRECTORS' REPORT

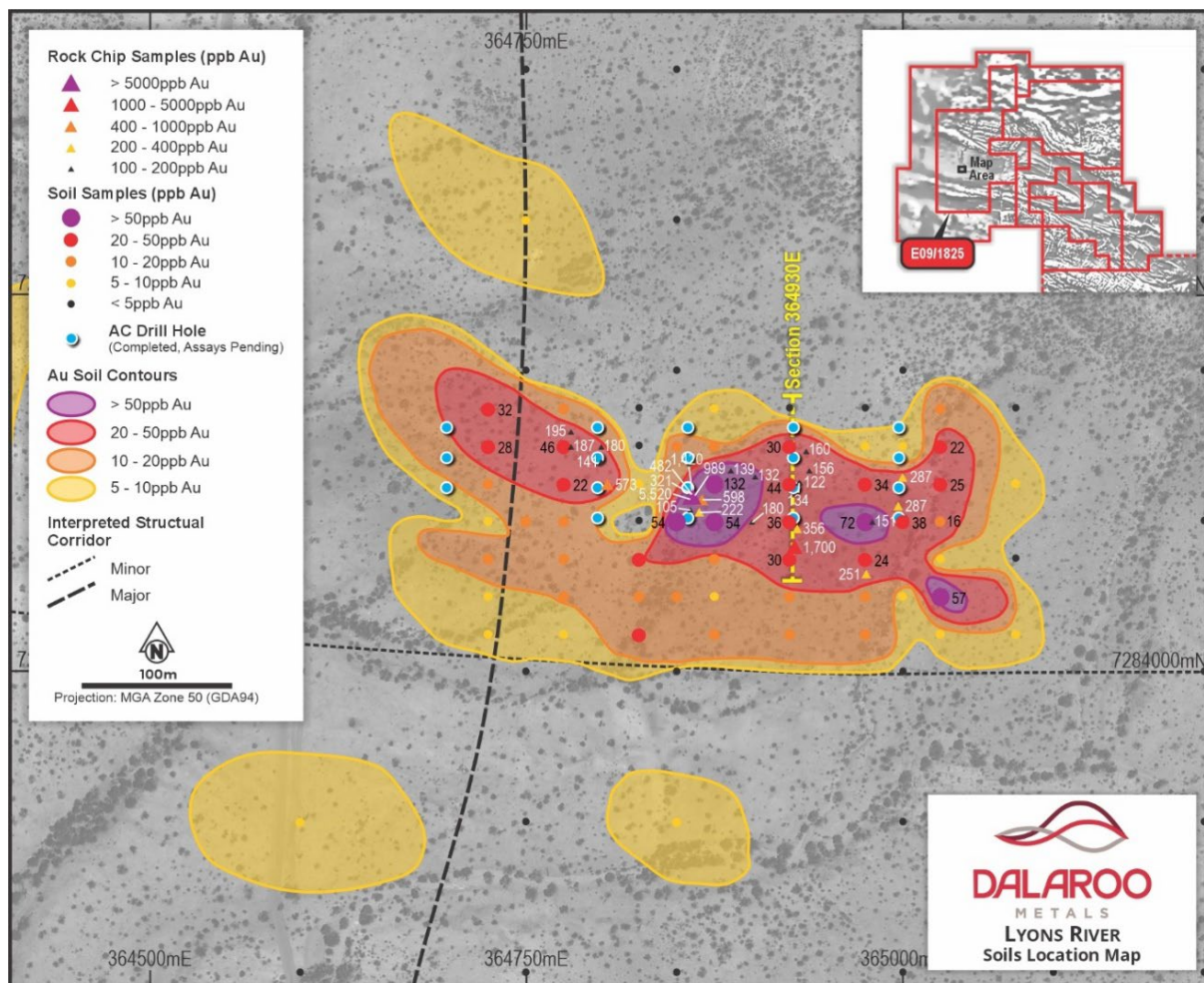


Figure 5: Goodbody West gold prospect and interpreted regional structures. Overlaid on aerial photography. In this figure white text refers to rock chip assay values and black text refers to soil assays values.

Drilling in the eastern part of the Goodbody West prospect, below the main area of outcropping gold mineralisation, intercepted several zones of sub-parallel, moderately north-dipping quartz veins, within a sequence of pelitic schist and lesser interbedded psammitic rocks. Veins are commonly emplaced within or adjacent to high-strain zones and are encouragingly associated with broad widths of silica-sericite (+/- hematite-carbonate) alteration. Veins contain variable quantities of ironstone and gossanous sulphide. Primary sulphides are not preserved at the shallow drilled depths.

Higher gold grades, up to 1.83g/t (drill-hole LRAC047) are typically associated with sulphide-bearing quartz veins. However, broad widths of anomalous mineralisation (e.g. 21m @ 0.21g/t Au in drill-hole LRAC048) may also integrate alteration zones adjacent to vein sets (Figure 6). Significant Arsenic (As) anomalism, up to 1420ppm is also associated with gold mineralisation (refer DAL ASX Announcement from 16 April 2024).

Turbo Well gold

A new gold prospect has been defined at Turbo Well with gold-in-soil anomalism extending over a strike length of 2km, adjacent to a regional ESE structural trend (Figure 7). A peak value of 47ppb Au is defined from results of both historical soil sampling and follow-up sampling by Dalaroo during 2023 (refer DAL ASX Announcements from 9 November 2023).

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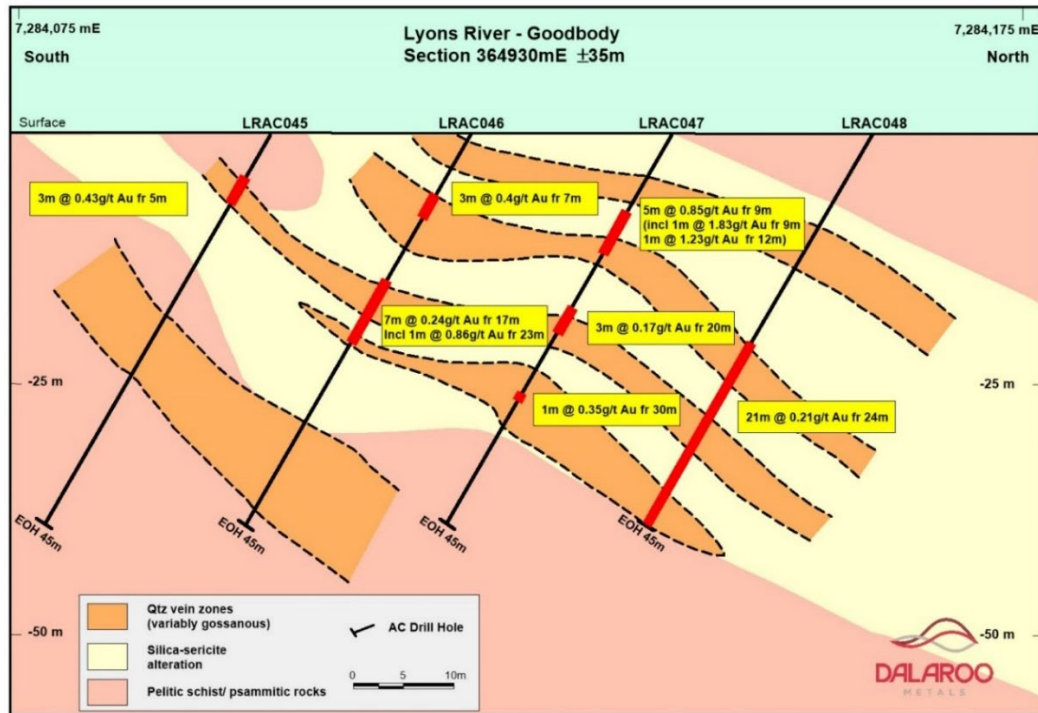


Figure 6: Drill cross section – interpretation geology and gold intercepts.

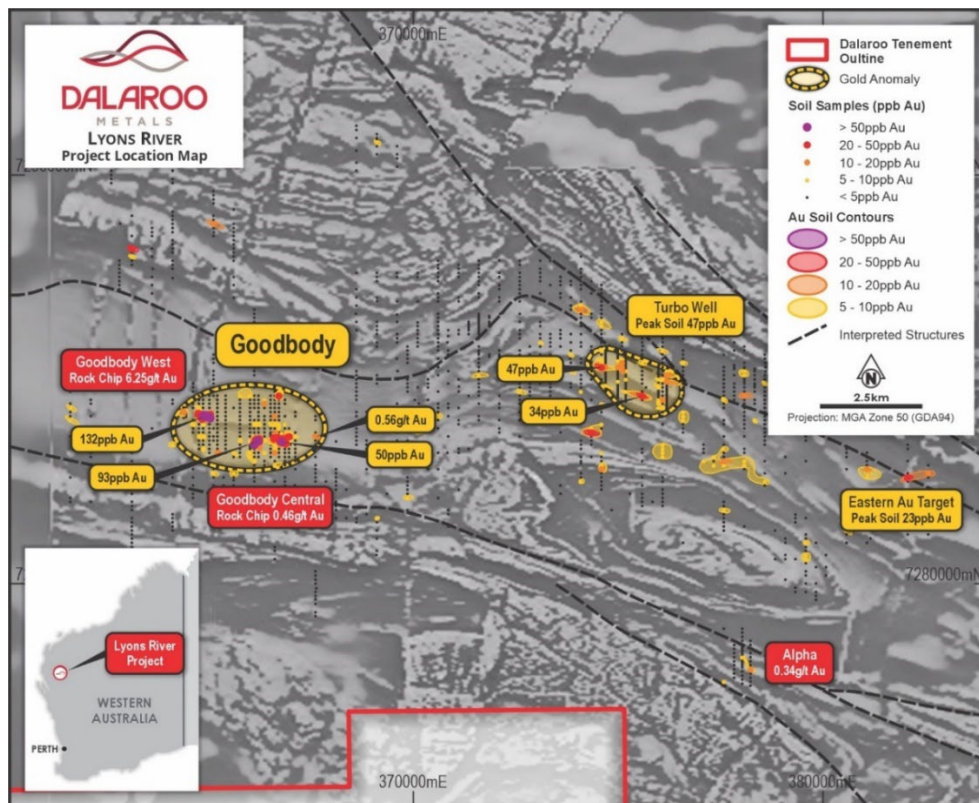


Figure 7: Location of Goodbody prospect in relation to additional gold prospects and interpreted regional structures within Lyons River Project area. Overlaid on greyscale Total Magnetic Intensity (TMI) 1VD base map.

DIRECTORS' REPORT

Browns Pb-Zn-Ag

Emerging Broken Hill Type ("BHT") /Sedimentary Exhalative ("SEDEX") Deposit Setting

Dalaroo has completed a deep diamond drilling program at its Browns prospect, Lyons River Project. The diamond drill program was partly funded by the Exploration Incentive Scheme sponsored by the Government of Western Australia with a grant for an amount of up to \$180,000.

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 8).

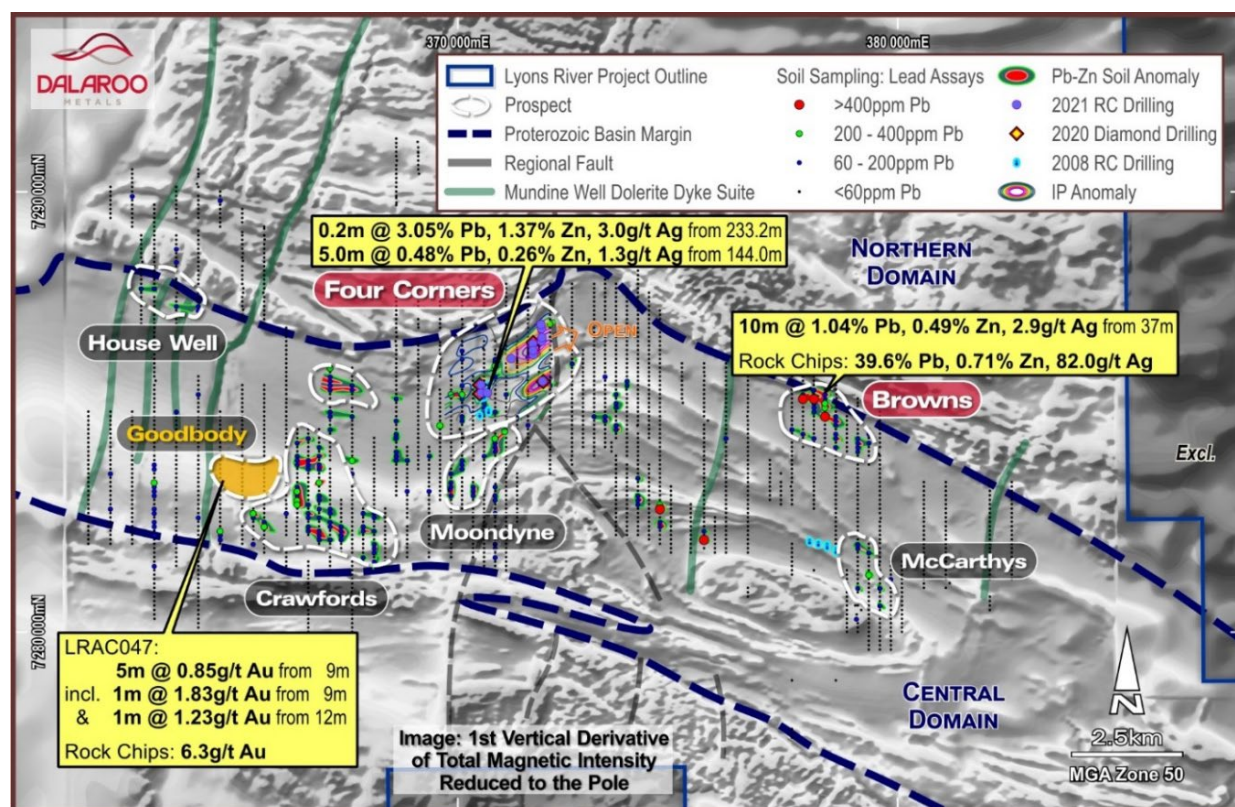


Figure 8: Lyons River Project, Browns prospect and other five Pb-Zn soil geochemical prospects /targets over greyscale 1 Vertical Derivative Aeromagnetics image.

AC drilling completed during 2022 has highlighted the prospectivity for discovery of a significant BHT-SEDEX-style deposit at Browns prospect. Evidence that Pb-Zn-Ag mineralizing fluids have circulated at the basin-wide scale five kilometres east from the already drilled Four Corners Prospect strongly supports this theory. This leads Dalaroo to the conclusion there may be multiple base metal deposits to be defined at the Lyons River Project.

Four deep diamond core holes have tested a highly prospective and a very compelling Pb-Zn-Ag base metal target covering an area of 3km X 2km. Diamond drilling and analysis of core samples will:

- Highlight the geological transition to more pyritic and phyllosilicate-rich units identified at the southern limits of the tested area (from 80m depth in LRAC021). This is interpreted to represent a transition in the pre-metamorphic protolith stratigraphy to lower energy sedimentary units, considered more prospective for base metal deposits. The current diamond drilling will investigate and test southwards into this domain, which also coincides with the "trough" structure epicentre

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(refer DAL ASX Announcement from 14 February 2023). This was identified from detailed gravity survey plus airborne magnetics geophysical data (Figure 9).

- Confirm the presence of economic Pb-Zn-Ag mineralisation at the Browns Prospect at Lyons River in the Gascoyne Province.

Browns Pb-Zn-Ag Prospectivity and Potential

The Browns Prospect represents the second site of Pb-Zn-Ag intersections discovered by bedrock drilling in the Mutherbukin Zone, 5km east of Dalaroo's Four Corners Pb-Zn-Ag prospect. Two phases of AC drill programs by Dalaroo at the Browns Prospect have tested a very compelling broad Pb-Zn soil and rock chip geochemical anomaly (max 1445ppm Pb, 1080 Zn ppm) covering an area of 3km X 2km, associated with extensive iron-rich and high-grade gossanous material at surface with results of up to 39.6% Pb, up to 0.71% Zn and up to 82g/t Ag.

Detailed gravity work has complemented historical surveys by BHP and show a coincident gravity low suggesting an area of possible deepening basin development. An interpreted sub-basin fold or trough structure at Browns may represent a deeper portion of the paleo-basin architecture and a favourable environment for the formation of prospective host stratigraphy (Figure 9).

Dalaroo's AC drill programs at Browns have been successful in intersecting zones of interbedded psammitic to pelitic lithologies together with multiple zones of disseminated base metal sulphides such as galena and sphalerite. More than 800m of strike length lead-zinc mineralisation has been outlined at Browns which remains open in all directions. Ag intercepts are coincident with Pb and Zn assays and further support the presence of BHT/SEDEX-style of mineralisation (Figure 9).

AC drilling programs have intersected thick zones of variably-pyritic, biotite-quartz gneiss, likely representing metamorphosed shales, and found to be enriched in silver, returning **63m @ 1.76g/t Ag from 16m and 16m @ 1.43g/t Ag from 68m** and has outlined the footprint of the Pb-Zn-Ag mineralized system at Browns to approximately 400m in thickness at its central portion. Significant **Pb-Zn sulphide intercepts of 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 and 63m @ 1.76g/t Ag from 16m** adds weight to this thesis.

Copper potential

High grade copper assay results of 54.8% coupled with silver grades of 80g/t have been returned from rock chip sampling program over the south-western part of the 3.5km X 2km Browns base metal prospect (Figures 10 and photo 1). Gossanous outcrops sampled to the east of the AC drilled area have returned lead (Pb) values of up to 0.53% complemented by anomalous zinc (1140ppm) and copper (420ppm) (Refer DAL ASX Announcements from 31 October 2023).

Copper assays of 1.64% accompanied by silver assays of 21.5g/t have also been recorded from rock chip sampling (photo 2) previously completed at the Four Corners prospect located 5km to the west of Browns (Refer DAL ASX Announcements from 16 March 2022).

Previous historical shallow RC drill program in 2008 at Four Corners returned an intersection of 3m @ 0.50% Cu including 1m @ 0.92% Cu from 56m, with mineralisation associated chalcopryite (Figure 10) (Refer DAL ASX Announcements from 16 March 2022).

DIRECTORS' REPORT

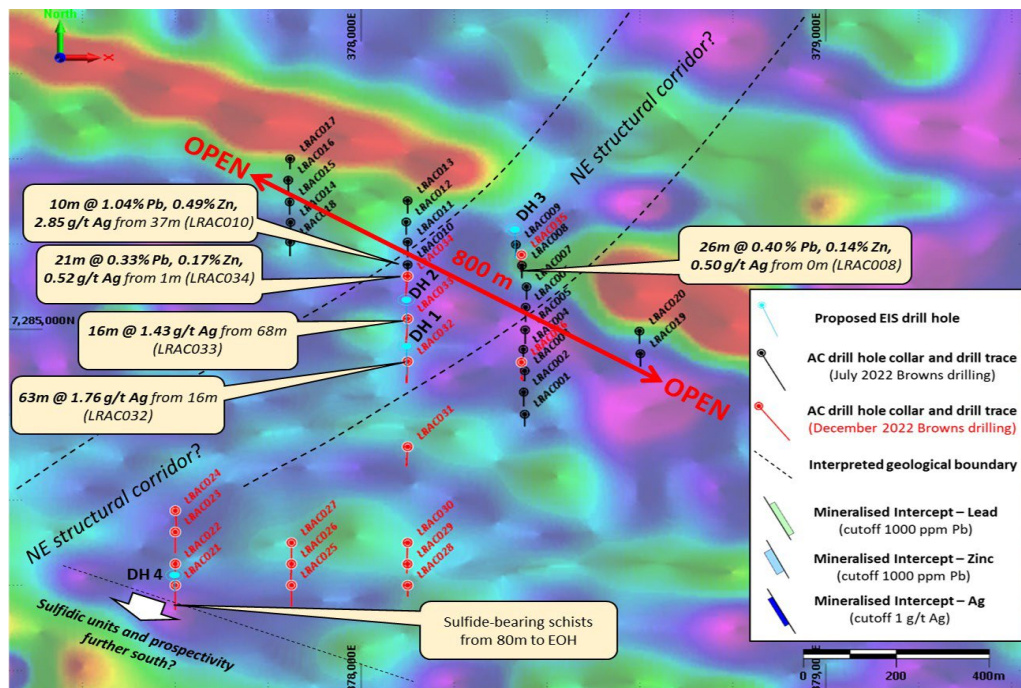


Figure 9: Map view of aircore drilling completed at Browns on ground gravity data basemap. Note location of newly reported mineralized intersections and structural interpretation.



Photo 1: Copper-oxide (malachite) mineralisation in surface excavation and malachite rich rock chips at Browns prospect



Photo 2: Outcropping copper oxide mineralisation (malachite) at Four Corners prospect

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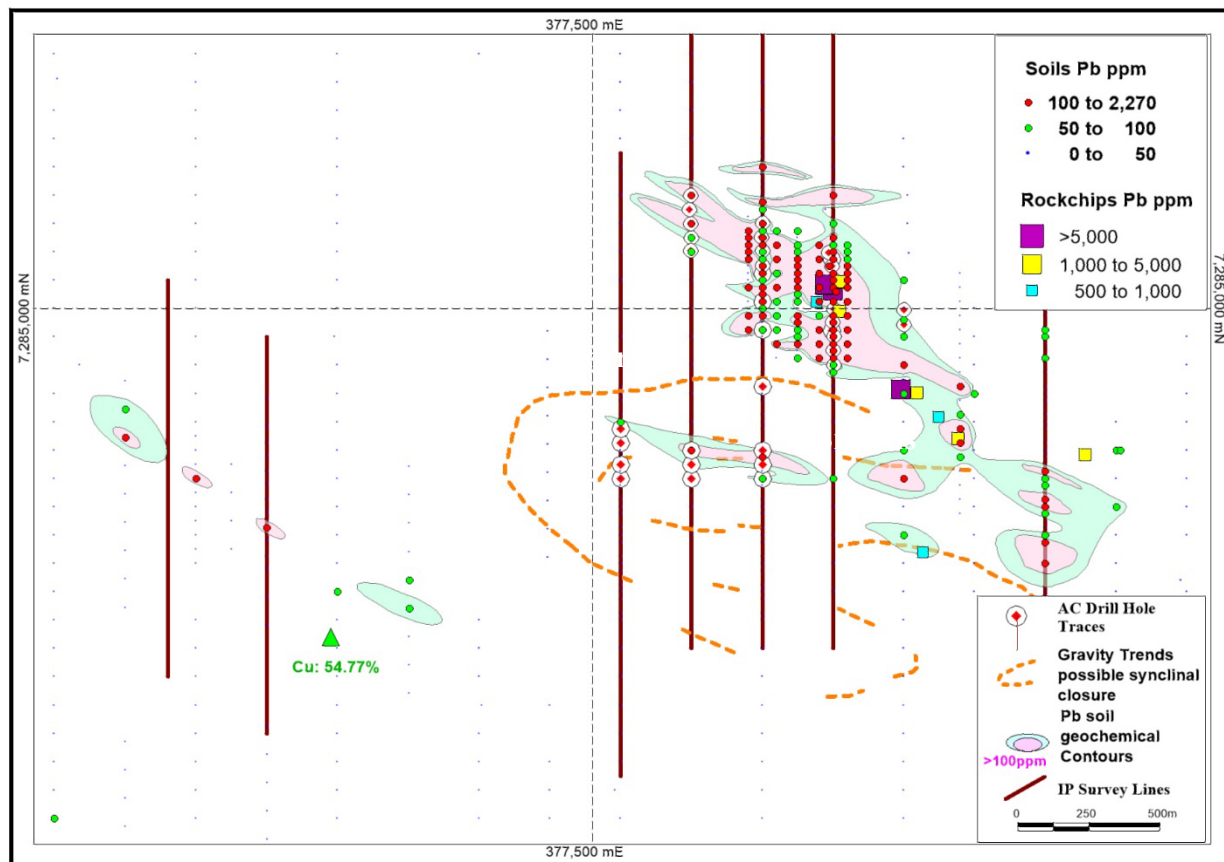


Figure 10: Browns prospect, Pb soil geochemical anomalies (previously reported) and Pb rock chip sample assays, high-grade copper rock chip sample location and proposed Induced Polarisation survey lines.

Rare Earths

Two significant rare earth (REE) anomalies have been outlined at the View Hill and 32 Mile Well prospects. The REE anomalism with a peak value of 1,043ppm TREO has a strike length of 2.2km, average width of 500m and coincides with a large NW trending thorium high identified in detailed radiometric imagery data flown by the Company. The second REE anomaly with a peak value of 2,025 ppm TREO has a current strike length of over 3km and an average width of 300m (Figure 11) (Refer DAL ASX Announcement dated 4 April 2023).

Importantly both REE anomalies lie adjacent to a major NE-trending structure, compatible with relationships seen at Kingfisher Mining's Mick Well REE discovery. The anomalies have no recorded drilling and could therefore represent either potential hard rock or near surface clay hosted mineralisation drill targets.

Lithium

Dalaroo executed a binding agreement (**Sale Agreement**) with Delta Lithium Limited (**ASX: DLI** or **Delta Lithium**) to sell the rights to lithium, caesium and tantalum minerals (**Lithium Minerals**) at its Lyons River Project (**Lithium Mineral Rights**). The consideration of \$1,000,000 for the transaction comprised \$500,000 in cash and \$500,000 of DLI ordinary shares. In addition to the consideration, Delta Lithium must expend a minimum of 50% of the annual statutory expenditure requirements on the Lyons River Project tenements (a commitment of \$280,000 per annum at the date of the Sale Agreement) for a period of 3 years from Completion. The Company will still retain ownership of the Lyons River Project tenure and hold rights to all other metals and minerals apart from the Lithium Minerals (Refer ASX announcement dated 1 December 2023).

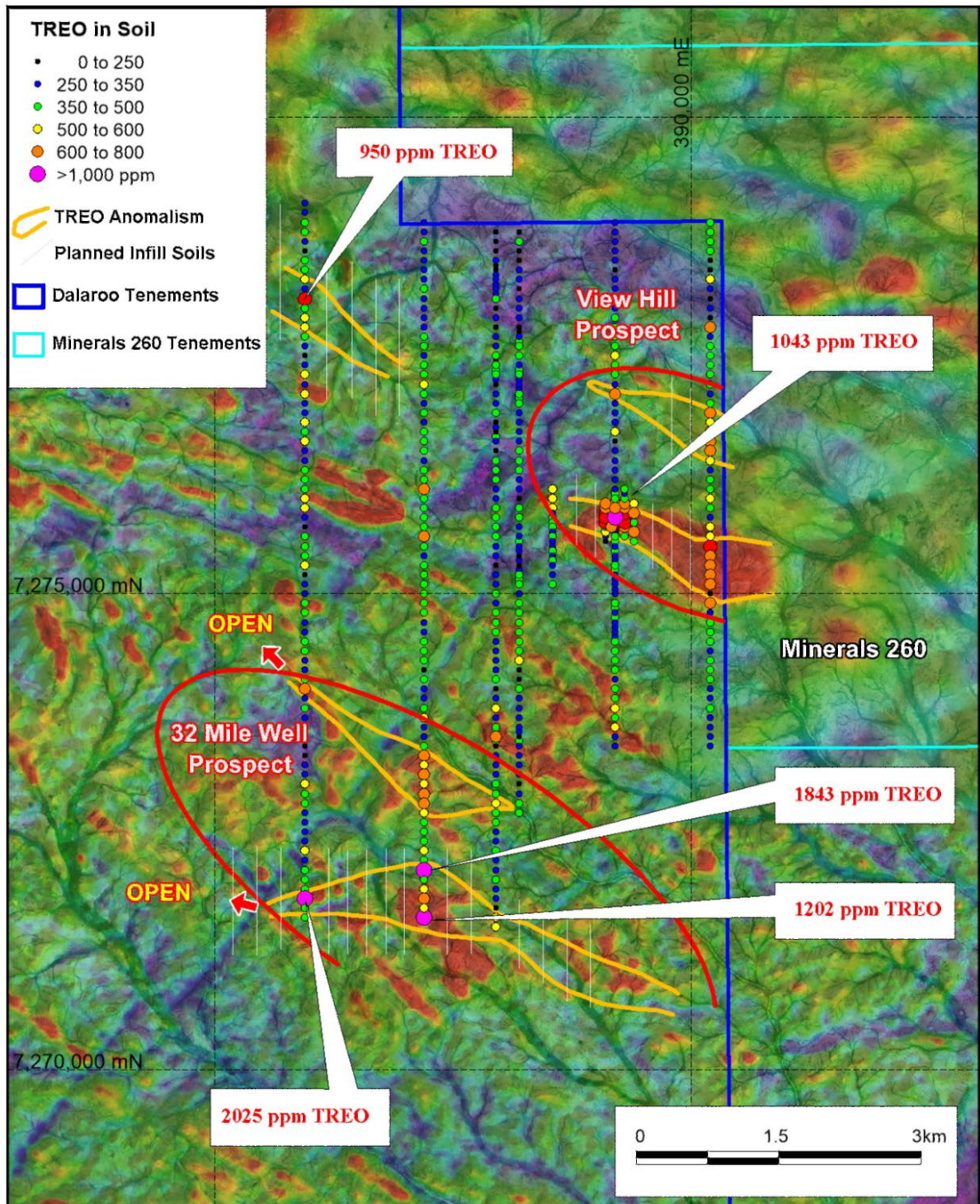


Figure 11: TREO results on radiometrics thorium/google image (note coincident large thorium and TREO anomaly at View Hill prospect).

DIRECTORS' REPORT

During the year structural mapping within the Lyons River Project identified several major shear zones, each over 30km long and 6km wide, that formed during the Neoproterozoic Edmondian Orogeny. This orogeny was the fundamental driver of deformation along the nearby Ti Tree Shear Zone, and it was responsible for the emplacement of spodumene pegmatites in the Yinnetharra District, which are now the focus of Delta Lithium's resource drilling activity. Pegmatites emplaced during the Edmondian Orogeny are associated with granite intrusions of the Thirty Three Supersuite (TTS) and recent mapping has confirmed that intrusive rocks of the TTS were also emplaced within shear zones at the Lyons River Project (Figure 12). The TTS intrusions comprise granite stocks and granitic pegmatite (microcline-quartz-muscovite-tourmaline – photo 3).

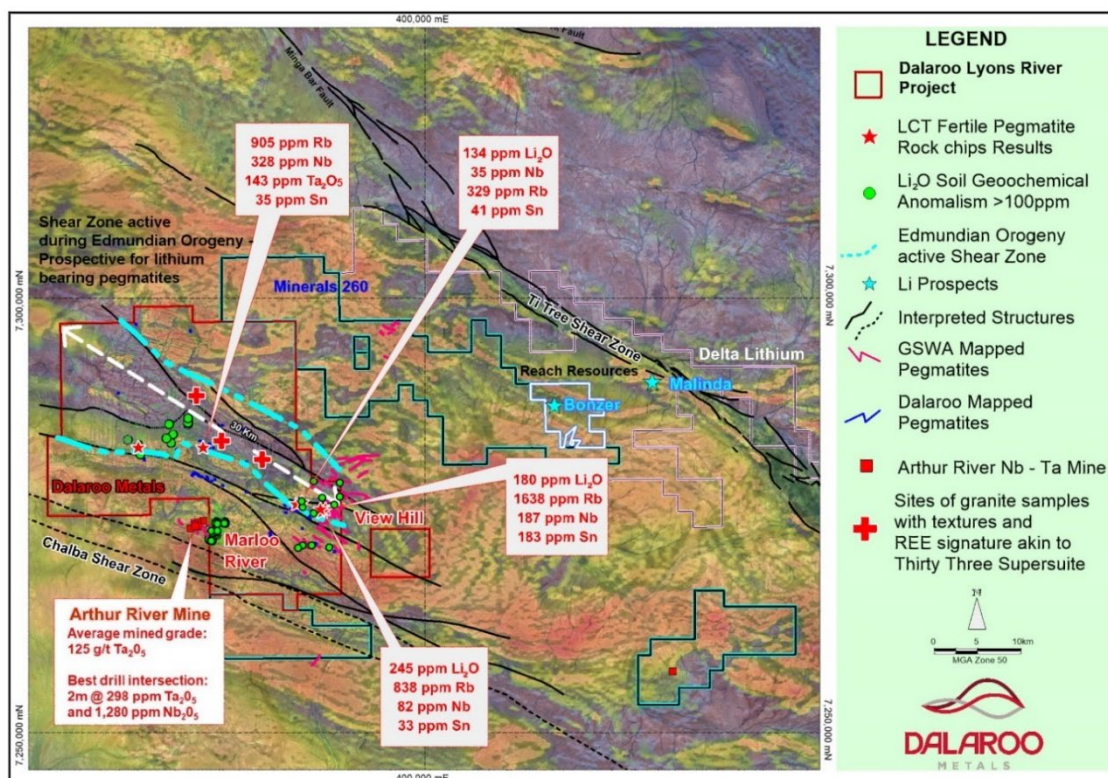


Figure 12: Lyons River Project – Major shear zone/corridor active during the Edmondian Orogeny, with potential for lithium bearing pegmatites.

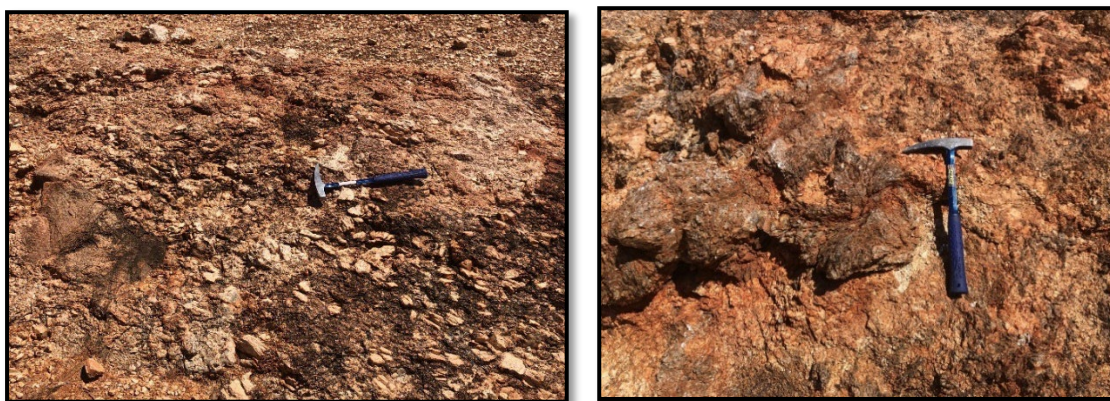


Photo 3: Thirty Three Supersuite pegmatites with (microcline-muscovite +/- tourmaline assemblage) and photo 1b dominated by microcline and muscovite mica “books”.

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DIRECTORS' REPORT

A follow-up/infill soil geochemical survey was completed on a 200m X 100m pattern (first pass sampling was completed on lines 1km X 100m) at the View Hill prospect. A total of 813 soil samples were collected. One of the lithium targets (3km long and 0.5km) had a peak value of 334 ppm Li₂O and is comparable to lithium anomalism obtained by Dalaroo's neighbours (Refer M16 ASX Announcement dated 25 July 2023 and 10 October 2023). Importantly, the lithium targets lie within the large pegmatite cluster measuring 9km X 6km in the eastern part of the project, where pegmatites up to 100m wide and 3km long have been mapped. The significant lithium anomalism outlined to date remains open to the south, west and east (Figures 13 and 14).

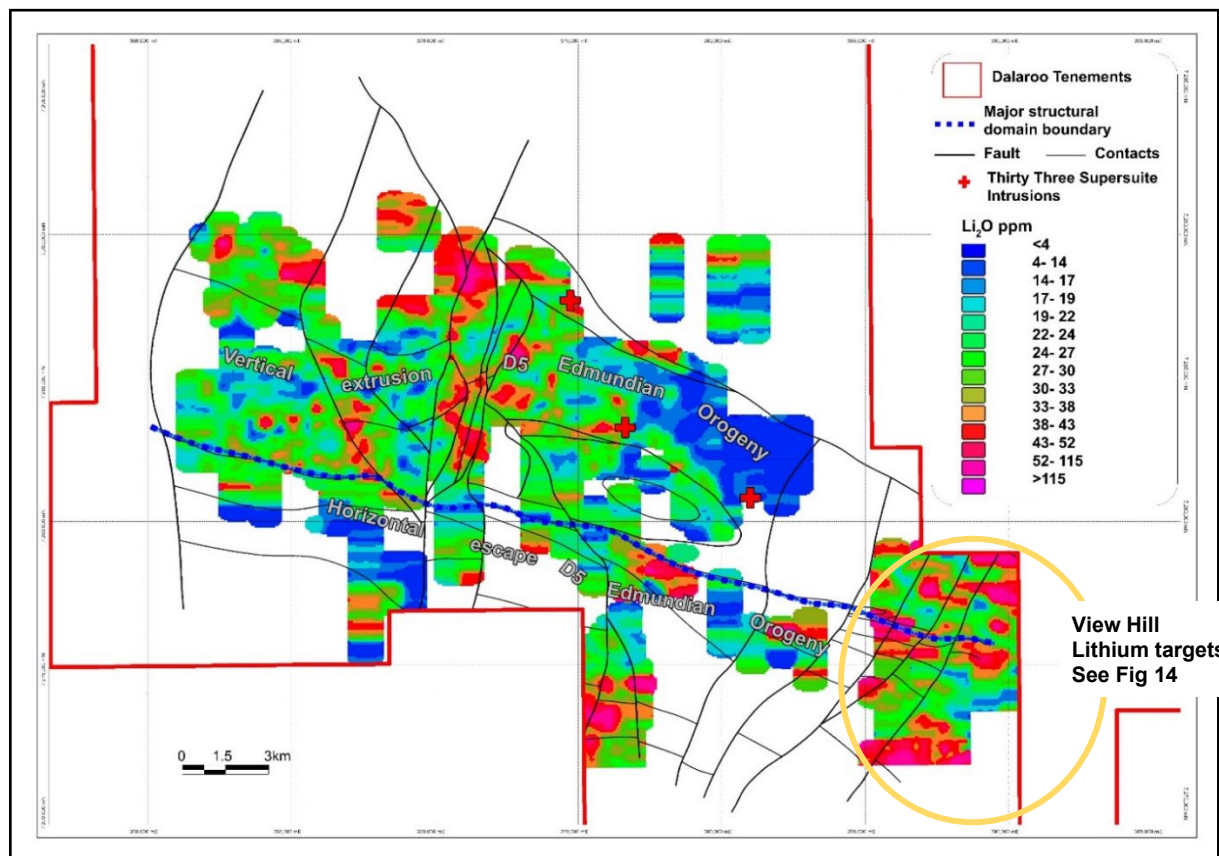


Figure 13: Structural domain map with north-south faults and significant lithium targets outlined at View Hill Lyons River Project.

Next Steps at Lyons River

Goodbody – gold target

Dalaroo's application for exploration funding in Round 29 of the Western Australian Government's Exploration Incentive Scheme ("EIS") was successful. The \$100,000 EIS grant awarded to Dalaroo will be used to co-fund 50% of the direct diamond drilling cost to test its new gold system discovery at the Goodbody West prospect.

Four diamond drill holes for an aggregate 700m are planned. The identification of sulphide-bearing quartz veins, in association with wide silica-sericite alteration haloes and strong Au-As anomalism from the current shallow levels of drilling are considered indicative of a significant hydrothermal system. Mineralisation remains open at depth and to the east and requires deeper drilling to assess the potential for structurally controlled high-grade zones. It is noted that surface anomalism at Goodbody West coincides with the intersection of WNW and NNE-trending structures (refer DAL ASX Announcement from 8 November 2023).

DIRECTORS' REPORT

Such intersection zones represent potential sites of intensified deformation and hydrothermal fluid movement and will be a priority for deeper drill targeting using the EIS co-funded diamond drilling at Goodbody West.

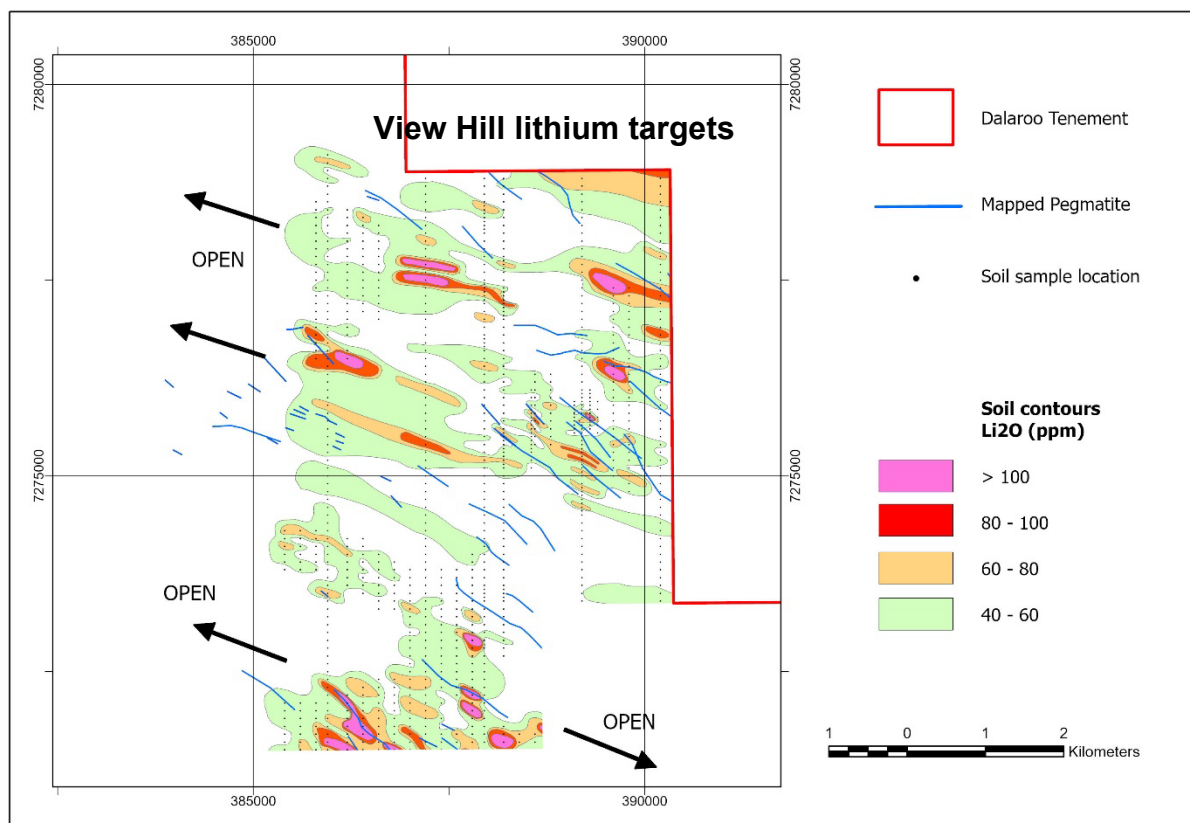


Figure 14: View Hill: lithium soil geochemistry **showing** main anomalous trends, open to the south, west and east.

Browns – Pb-Zn-Ag

Browns EIS drill core has been cut and dispatched for multi-element analysis with assay results awaited.

Copper potential

Assess copper targets outlined from rock chip sampling over the Lyons River Project. Further geochem surveys and rock chip sampling to outline drill targets.

REE Potential

Follow up geochemical sampling at View Hill and Marloo River prospects to be completed define drill targets for clay hosted REE deposits.

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DIRECTORS' REPORT

Namban Project

Manning Ni-Cu-PGE Prospectivity and Potential

The Manning prospect is located 150km north of Perth and 90km north of Chalice Mining's world class Julimar Ni-Cu-PGE Project (Figures 16). The drilling program was designed to test large Ni-Cu-PGE*+Au geochemical anomalies (Pd soil anomaly with a peak value of 28 ppb coincident with Cu peak value of 605 ppm and Ni peak value of 206 ppm) covering an area of 2km X 0.5km that are coincident with Induced Polarisation (IP) anomalies with high chargeability values of up to 40 mV/V.

The diamond drill program was partly funded by Dalaroo's successful application in Round 26 of the Exploration Incentive Scheme sponsored by the Government of Western Australia. The grant was for an amount of up to \$175,000, structured as a contribution towards 50% of direct drilling cost.

Diamond drilling programme of four holes (MNDD001 to MNDD004) totalling 828.9m was completed at the Manning Prospect (Figure 15). The holes ranged in depth from 178.1m to 267.4m (Table 1).

Table 1: Manning - Drill hole locations.

Hole Id	Easting (GDA Z50)	Northing (GDA Z50)	RL (m)	Final/Depth (m)	Azimuth (Degrees)	Dip (Degrees)
MNDD001	410400	6610975	290	203.9	266	-65
MNDD002	409250	6610300	290	178.1	090	-60
MNDD003	410189	6611072	290	179.4	090	-60
MNDD004	409890	6611075	290	267.4	065	-60

Elevated copper, gold and silver assays up to 0.11% Cu, 0.61 g/t Au and 14.5 g/t Ag were intersected in the drilling program (Table 2).

Table 2: Manning prospect - Significant assays

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu ppm
MNDD001	0.00	0.50	0.5	NSR	14.5	NSR
MNDD002	173.0	174.0	1.0	0.61	NSR	NSR
MNDD003				NSR	NSR	NSR
MNDD004	21.4	22.25	0.85	NSR	NSR	749
Incl.	21.4	21.70	0.30			1061
+	21.95	22.25	0.30			1044

NSR – denotes no significant result above 0.5 g/t Au, 10 g/t Ag or 0.05% Cu

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Host lithologies are interpreted as differentiated intrusive mafic rocks (gabbroic dolerites) believed to be part of a larger (dismembered) intrusive mafic sill complex within a sequence of high-grade metamorphic rocks (gneisses/granulites) that remains prospective for magmatic intrusion hosted Ni-Cu-PGE-Au mineralisation at Namban. Two orientations of chlorite-sulphide veinlets/fractures trending subvertical north-west and north north-west were logged in the holes. A steep NW plunge is inferred from the intersection of the vein sets. The sulphide intersections comprising chalcopyrite-pyrite+/- pyrrhotite rich zones in MNDD004. Pyrite-carbonate alteration was noted in fractured felsic dykes that are NNW trending and are coincident with the regional copper and gold trend around the margins of the interpreted Julimar-Mt Yule Gravity corridor depicted in Figure 16.

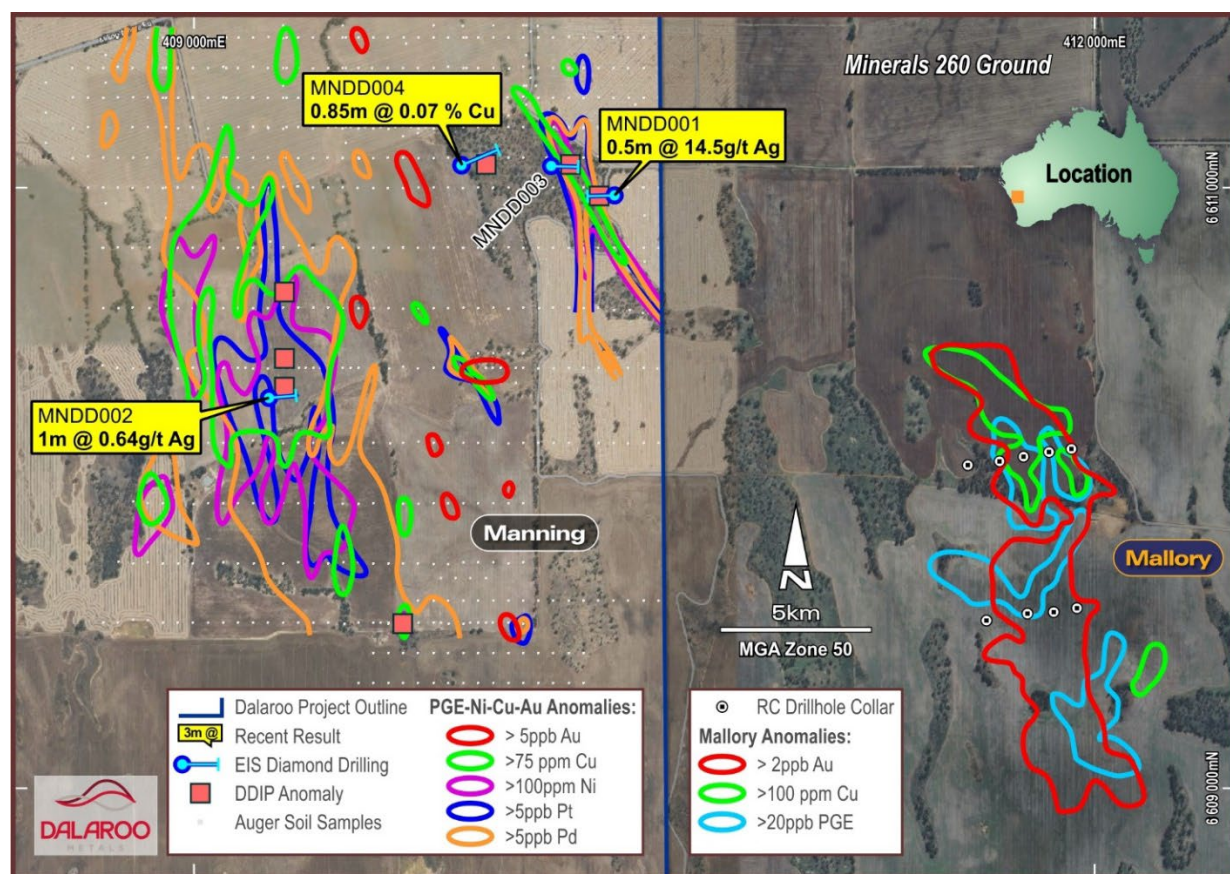


Figure 15: Namban Project – Manning prospect: Contoured soil anomalies, diamond drill hole locations and bedrock anomalies. Contours >5ppb Au contours in red; >75ppm Cu in green; >100ppm Ni in magenta; >5ppb Pt in blue

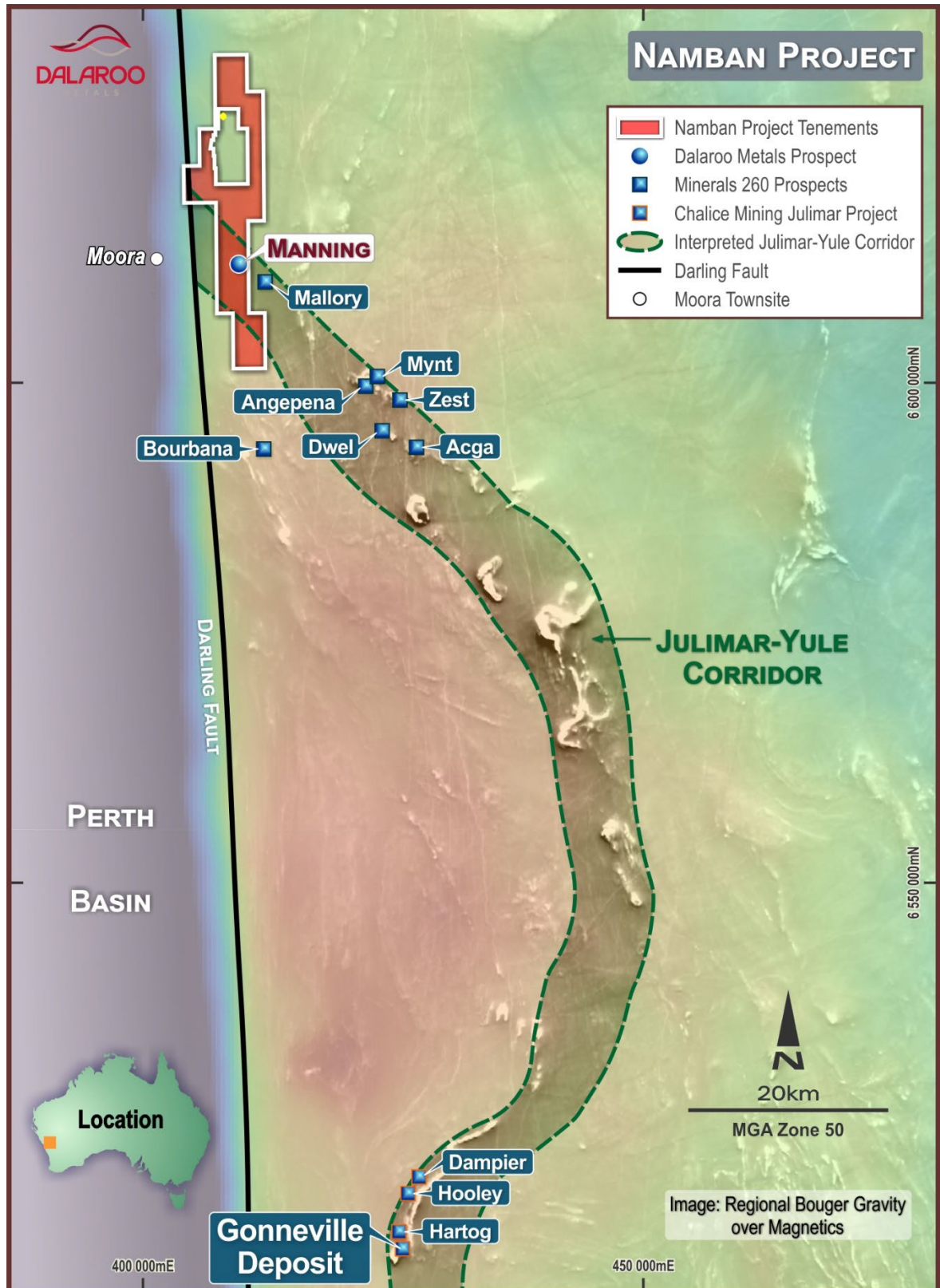


Figure 16: Namban Project Location along the northern extent of the arcuate Julimar – Yule Corridor, truncated by the Darling Fault (dark blue) to the west. Image is 1VD-RTP magnetics draped with Bouguer Gravity

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Next Steps at Namban

Given the significant size of the surface geochemical anomalism (Ni-Cu-PGE*+Au) outlined (measuring 2km X 0.5km) at the Manning prospect and only four holes drilled using Dalaroo's successful grant under the EIS \$175,000, further exploration work is warranted. Future work at the Manning Prospect proposed to include ground gravity surveys, which are expected to complement and expand upon the existing geochemical and geophysical datasets which have helped to delineate encouraging sulphide copper and gold mineralisation.

Gravity surveys will provide additional insight through mapping the local density variation and potentially define deep seated intrusions or sources to the base metal mineralisation and differentiate prospective mafic and gabbroic units from the more recent Proterozoic dolerite dykes which trend through the project and provide targets for potential follow up drill programs.

RISKS AND UNCERTAINTIES

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks.

Future funding risks

Whilst the Company has a cash and cash equivalents balance of \$409,236 and net assets of \$779,301 and is able to continue on a going concern basis, there is risk that the Company may require substantial additional financing in the future to sufficiently fund potential exploration and development resource acquisition, general working capital and any other longer-term objectives. The Company has the ability to control the level of its current operations and hence the level of its expenditure over the next 12 months. Management is confident that they can reduce the level of expenditure in order to retain appropriate cash balances. Management remains very diligent in their ongoing monitoring of cash balances day by day. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds when required, its operations could be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Taxation risks

Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of the Company, Shareholder returns, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase the Company's tax liabilities. The Company utilises expert consultants in relation to taxation in order to determine appropriate taxation treatment.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Company is committed to preventing and reducing cyber security risks through outsourced IT management to a reputable services provider.

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DIRECTORS' REPORT

Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously evolving. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term. The Company has in place business continuity plans and procedures to help manage the key risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective. Argo Exploration

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year.

DIRECTORS' INTERESTS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
D Quinlivan	2,625,228	1,250,000
H Kehal	750,000	375,000
R Beeck	1,150,000	525,000
J Gordon	5,375,000	9,515,625
B Ahmad	12,500,000	12,500,000

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held either in person or through circular resolution during the year ended 30 June 2024, and the number of meetings attended by each Director are as follows:

Director	Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
D Quinlivan	16	16	2	2	-	-
H Kehal	16	16	-	-	-	-
R Beeck	16	16	2	2	-	-
J Gordon	-	-	-	-	-	-
B Ahmad	-	-	-	-	-	-

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DIRECTORS' REPORT

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

As at the date of this report 27,375,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
8,000,000	25 cents each	28 September 2025
5,000,000	25 cents each	28 September 2024
14,375,000	8 cents each	5 June 2025
182,187,500	3.6 cents each	23 August 2029

During the financial year the Company issued 14,375,000 options exercisable at \$0.08 each and expiring on 5 June 2025.

No options have been cancelled during, or since the end of, the financial year.

No shares have been issued on the exercise of options during, or since the end of the financial year.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

ISSUED CAPITAL

At the date of this report, the number of fully paid ordinary shares on issue were as follows:

	Number of Shares on Issue	
	2024	2023
Ordinary fully paid shares	248,375,000	76,000,000

DIVIDENDS

No dividend has been paid and no dividend is recommended for the financial year ended 30 June 2024 (2023: Nil).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 23 August 2024, the Company completed a two tranche capital raising. The first tranche on 1 July 2024 resulted in the issue of 12,412,500 ordinary shares at \$0.016 to raise \$198,600 (before costs). The second tranche which required the approval of shareholders at a General Meeting conducted on 19 August 2024 resulted in the issue of a further 153,212,500 ordinary shares at \$0.016 each which raised \$2,451,400 (before costs). The shareholders also approved the issue of 182,187,500 Options, exercisable at \$0.036 each, expiring on 23 August 2029, and the issue of 4,000,000 Performance Rights.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

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DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to maintain exploration programs at its Namban and Lyons River Projects in Western Australia.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company has a Remuneration Committee and as such all remuneration matters are considered by the Committee and recommendations provided by it to the Board. No Member of the committee deliberates or considers such matters in respect of their own remuneration.

The Remuneration Committee is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

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DIRECTORS' REPORT

The maximum Non-Executive Directors fees, payable in aggregate are currently set at \$300,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

The performance indicators framework is still to be finalised by the Board.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company plans to provide long term incentives to Directors and Employees pursuant to the Dalaroo Employee Securities Incentive Plan, which will be tabled for approval by shareholders.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their year of office (if applicable). Payment is made in lieu of any notice year if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr David Quinlivan as Non-Executive Chairman the Company will pay him \$65,000 plus statutory superannuation per annum.

In consideration of the services provided by Mr Robert Beeck as Non-Executive Director the Company paid him \$45,000 plus statutory superannuation per annum.

Messrs Quinlivan and Beeck are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the financial year ended 30 June 2024.

Engagement of Executive Director

The Company has entered into an executive service agreement with Mr Harjinder Kehal on the following material terms and conditions:

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Mr Kehal's service agreement with the Company, in respect of his engagement as Managing Director, is effective for three years from 25 September 2021. Mr Kehal will receive a base salary of \$250,000 per annum plus statutory superannuation per annum. Under the terms of the service agreement, if the Company terminates Mr Kehal's employment, other than due to illness or Summary Termination, the Company is required to pay Mr Kehal six (6) months remuneration (less taxation) in full and final satisfaction of all claims against the Company.

The Managing Director may also receive an annual short term performance-based bonus which may be calculated as a percentage of his current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-Executive Directors.

The Managing Director may, subject to shareholder approval, participate in the Dalaroo Employee Securities Incentive Plan and other long term incentive plans adopted by the Board.

Short Term Incentive Payments

Each year, the Non-Executive Directors will set the Key Performance Indicators (KPI's) for the Executive Director. The KPI's are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short-term incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the short-term Incentive, or a lesser amount depending on actual performance achieved will be paid to the Executives on a basis to be finalised by the Board.

No short-term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Dalaroo under the terms of the Company's constitution.

Company Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial years and previous financial years:

	2024	2023	2022
Loss for the year attributable to shareholders	\$1,541,538	\$2,472,701	\$2,666,980
Closing share price at 30 June	\$0.020	\$0.080	\$0.087

As an exploration company the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and the acquisition and consolidation of high-quality landholdings, as more appropriate indicators of management performance.

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DIRECTORS' REPORT

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr David Quinlivan	Non-Executive Chairman
Mr Harjinder Kehal	Managing Director
Mr Robert Beeck	Non-Executive Director <i>(resigned 28 June 2024)</i>
Mr Joshua Gordon	Non-Executive Director <i>(appointed 28 June 2024)</i>
Mr Bilal Ahmad	Non-Executive Director <i>(appointed 28 June 2024)</i>
John Arbuckle	Company Secretary and CFO

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

2024	Base Salary	Short Term Incentive	Superannuation Contributions	Value of Perf. Rights	Total	Perf Rights as Proportion of Remuneration
	\$	\$	\$	\$	\$	%
D Quinlivan	65,000	-	7,150	44,510	116,660	38.2
H Kehal	250,000	-	27,500	55,637	333,137	17.0
R Beeck	45,000	-	4,950	44,510	94,460	47.1
J Gordon ¹	-	-	-	-	-	-
B Ahmad ²	-	-	-	-	-	-
J Arbuckle	72,000	-	7,920	-	79,920	-
Total	432,000	-	47,520	144,657	624,177	

Note: (1) Mr Gordon appointed 28 June 2024

(2) Mr Ahmad appointed 28 June 2024

2023	Base Salary	Short Term Incentive	Superannuation Contributions	Accrued Leave	Value of Perf. Rights	Total	Perf Rights as Proportion of Remuneration
	\$	\$	\$	\$	\$	\$	%
D Quinlivan	65,000	-	6,825	-	25,782	97,607	26.4
H Kehal	250,000	-	26,250	23,033	32,227	331,510	9.7
R Beeck	45,000	-	4,725	-	25,782	75,507	34.1
J Arbuckle ¹	54,000	-	5,670	-	-	59,670	-
Total	414,000	-	43,470	23,033	83,791	564,294	

Note: (1) Mr Arbuckle commenced on 31 August 2022

Details of Performance Related Remuneration

During the year, no short-term incentive payments were paid to executive directors:

No performance indicators have been set for the 2025 financial year.

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Performance Rights Granted as Remuneration

No performance rights were granted during the period.

In the prior year 3,900,000 performance rights were issued pursuant to the terms and conditions of the Employee Securities Incentive Plan. The vesting conditions for each of the class of performance rights is detailed below:

Class		Key Vesting conditions
1	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.174.
2	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.196.
3	1,300,000	Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the rules of the Plan.

The Incentive Performance Rights to be issued to the Key Management Personnel were independently valued, using the Parisian Barrier1 Model option pricing model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Input	
Number of Performance Rights	3,900,0000
Share Price at Grant Date	\$0.11
Performance Milestones	<p>(Class 1): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.174.</p> <p>(Class 2): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.196.</p> <p>(Class 3): Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the Plan.</p>
Vesting Period	943 Days
Expiry Period	1,826 Days
Dividend Yield	Nil
Volatility	92%
Risk-free interest rate	3.10% per annum
Estimated value per Performance Right	<p>(Class 1): \$0.0903</p> <p>(Class 2): \$0.0864</p> <p>(Class 3): \$0.1100</p>
Total value of Performance Rights	\$372,710

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No Performance Rights were exercised by Key Management Personnel during the financial year.

Exercise of Options Granted as Remuneration

During the year, no ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Equity Instrument Disclosures Relating to Key Management Personnel

Performance Rights Holdings

Key Management Personnel have the following interests (direct and indirect) in performance rights over unissued shares of the Company:

2024 Name	Balance at Start of the Year	Received During the Year as Remuneration	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
D Quinlivan	1,200,000	-	-	1,200,000	-
H Kehal	1,500,000	-	-	1,500,000	-
R Beeck	1,200,000	-	-	1,200,000	-
J Gordon	-	-	-	-	-
B Ahmad	-	-	-	-	-
J Arbuckle	-	-	-	-	-

2023 Name	Balance at Start of the Year	Received During the Year as Remuneration	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
D Quinlivan	-	1,200,000	-	1,200,000	-
H Kehal	-	1,500,000	-	1,500,000	-
R Beeck	-	1,200,000	-	1,200,000	-
J Arbuckle	-	-	-	-	-

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Share Holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting year as compensation.

2024 Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
D Quinlivan	100,000	-	2,525,228	2,625,228
H Kehal	-	-	750,000	750,000
R Beeck ¹²	100,000	-	1,050,000	1,150,000
J Gordon	-	-	-	-
B Ahmad	-	-	-	-
J Arbuckle	-	-	-	-

Note: (1) This KMP is a director of Shenton Resources Limited which holds 11,224,999 fully paid ordinary Shares in the Company, and resigned on 28 June 2024.

2023 Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
D Quinlivan	100,000	-	-	100,000
H Kehal	-	-	-	-
R Beeck ¹	100,000	-	-	100,000
J Arbuckle	-	-	-	-

Note: (1) This KMP is a director of Shenton Resources Limited which holds 11,224,999 fully paid ordinary Shares in the Company.

Loans Made to Key Management Personnel

No loans were made to key management personnel, including personally related entities during the reporting year.

Other Transactions with Key Management Personnel

Corporate office rental expense of \$141,433 were paid to Borden Holdings Pty Ltd, as owners of the property, to which David Quinlivan is a director. Refer to Note 19 for further information.

There were no other transactions with key management personnel.

End of Remuneration Report

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DIRECTORS' REPORT

OFFICERS' INDEMNITIES AND INSURANCE

During the year, the Company did not pay an insurance premium to insure officers of the Company. The Company has not provided any insurance for the auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

During the year Crowe Perth the Company's auditor, has not performed any other services in addition to their statutory duties, other than as stated below.

Total remuneration paid to auditors during the financial year:	2024	2023
	\$	\$
Audit and review of the Company's financial statements	21,000	29,250
Audit Form 5 Operation Report	-	2,500
Total	21,000	31,750

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

Dated at Perth this 26th day of September 2024.



Harjinder Kehal
Managing Director

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the audit of the financial statements of Dalaroo Metals Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 26th day of September 2024
Perth, Western Australia

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Revenue	5	1,115,096	95,227
Total income		1,115,096	95,227
Employee expenses		(544,411)	(549,003)
Professional fees		(66,180)	(73,783)
Finance costs		(2,559)	(6,958)
IPO & Related costs		(270)	(266)
Depreciation		(90,032)	(86,511)
Share Based Payments		(144,657)	(83,791)
Marketing & Promotion		(31,436)	(36,476)
Corporate and administration expenses		(198,376)	(242,048)
Loss on disposal of share in listed company	5	(197,016)	-
Exploration costs expensed		(1,381,697)	(1,489,092)
Loss before income tax		(1,541,538)	(2,472,701)
Income tax benefit	6	-	-
Loss after tax		(1,541,538)	(2,472,701)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,541,538)	(2,472,701)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic/Diluted earnings/(loss) cents per share	26	(1.93)	(4.49)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	7	409,236	843,411
Trade and other receivables		45,337	39,822
Prepayments		5,464	22,129
Total current assets		460,037	905,362
Non-current assets			
Property, plant & equipment	8	37,836	50,514
Right of use assets	9	-	77,354
Exploration & evaluation assets	10	971,759	971,759
Total non-current assets		1,009,595	1,099,627
Total assets		1,469,632	2,004,989
Current liabilities			
Trade and other payables	11(a)	458,067	316,457
Lease liabilities	12	-	81,831
Employee benefits provision	11(b)	28,365	39,485
Shareholder advances	13	198,600	27,000
Total current liabilities		685,032	464,773
Non-current liabilities			
Employee benefits provisions	11(b)	5,300	1,692
Total non-current liabilities		5,300	1,692
Total liabilities		690,332	466,465
Net assets		779,300	1,538,524
Equity			
Issued capital	14	7,311,816	6,669,159
Accumulated losses	16	(6,760,964)	(5,219,426)
Reserves	15	228,448	88,791
Total equity		779,300	1,538,524

The above statement of financial position should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Issued Capital \$	Accumulated Losses \$	Share Payment Reserve \$	Total \$
2023				
Balance at 1 July 2022	6,032,624	(2,746,725)	5,000	3,290,899
Comprehensive Income:				
Loss for the year	-	(2,472,701)	-	(2,472,701)
Shares issued (net of costs)	636,535	-	-	636,535
Share based payments	-	-	83,791	83,791
Balance at 30 June 2023	6,669,159	(5,219,426)	88,791	1,538,524
2024				
Balance at 1 July 2023	6,669,159	(5,219,426)	88,791	1,538,524
Comprehensive Income:				
Loss for the year	-	(1,541,538)	-	(1,541,538)
Shares issued (net of costs)	642,657	-	-	642,657
Share based payments	-	-	139,657	139,657
Balance at 30 June 2024	7,311,816	(6,760,964)	228,448	779,300

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		2024 \$	2023 \$
Cash flows from operating activities			
Interest received		3,893	8,791
Interest expense		(391)	(228)
Receipts from customers		2,960	4,380
Funds received from Government Grants		104,323	82,057
Payments to suppliers and employees (corporate)		(822,267)	(837,745)
Payments to suppliers and employees (exploration)		(1,250,936)	(1,616,572)
Net cash outflow from operating activities	25	(1,962,418)	(2,359,317)
Cash flows from investing activities			
Proceeds from disposal of investment		302,984	-
Proceeds from sale of project mineral rights		500,000	-
Payments for property, plant and equipment		-	(52,705)
Receipts from term deposits		-	1,000,000
Net cash outflow from investing activities		802,984	947,295
Cash flows from financing activities			
Proceeds from borrowings		-	27,000
Proceeds from the issue of shares		869,100	672,500
Payments for share issue costs		(59,841)	(35,964)
Payments for Lease Liabilities		(84,000)	(84,000)
Net cash inflow from financing activities		725,259	579,536
Net decrease in cash held		(434,175)	(832,486)
Cash at the beginning of the financial year	7	843,411	1,675,897
Cash at the end of the financial year	7	409,236	843,411

The above statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the reporting year, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These financial statements reflect Dalaroo Metals Ltd as an individual entity. They are prepared and presented in Australian Dollars which is the functional and presentation currency of the company.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(b) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is expensed off as incurred, other than tenement acquisition costs which are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale or where exploration activities in the area are continuing and have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Business Combinations / Asset Acquisitions

The Company applies the acquisition method when the assets acquired and liabilities assumed constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or other income from ordinary activities. A business will generally consist of inputs and processes applied to those inputs. In a business combination all transaction costs are expensed.

If the assets acquired do not constitute a business, the Company accounts for the transaction as an asset acquisition, whereby the asset and liabilities are assigned carrying values based on their relative fair values in an asset purchase transaction. No deferred taxes will arise in relation to the acquired assets or liabilities assumed as a result of the application of the initial exemption for deferred tax under AASB 112. No goodwill arises on the acquisition. Transaction costs in relation to asset acquisitions are capitalized.

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FOR THE YEAR END 30 JUNE 2024

(e) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis, over the unexpired year of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Plant and Equipment	20-25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

(h) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or air value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting year as to whether the financial instruments credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit loss.

(j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

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FOR THE YEAR END 30 JUNE 2024

risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Any goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Share Based Payments

For equity settled share-based payment transactions with parties other than employees (and those providing similar services), the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be reliably estimated. If the Company cannot reliably estimate the fair value of the goods or services received, it measures their fair value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

For transactions measured by reference to the fair value of the equity instruments granted, the Company measures the fair value of the equity instruments granted at the measurement date. For transactions with parties other than employees (and those providing similar services), the measurement date is the date that the Company obtains the goods or the counterparty renders the service.

(l) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Income Tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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NOTES TO THE FINANCIAL STATEMENTS
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Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(n) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(o) Trade Receivables and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money.

(p) Trade Creditors and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(r) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

(s) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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FOR THE YEAR END 30 JUNE 2024

(t) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(u) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(v) Comparative Information

Comparative financial information for the previous reporting period is presented for the Company for the full year 30 June 2023.

(w) Rounding

All amounts presented in the financial statements have been rounded to the nearest dollar.

(x) Going concern basis for preparation of financial statements

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2024 the Consolidated Entity incurred a loss of \$1,541,538 (2023: \$2,472,701) and net cash outflows from operating and investing activities of \$1,962,418 (2023: \$2,359,317). As at balance date the Entity had a working capital surplus of \$2,574,430 (2023: \$2,514,814) and minimum spend exploration commitments due within twelve months of \$999,000.

On 23 August 2024, the Company successfully completed a two tranche capital raising. The first tranche on 1 July 2024 resulted in the issue of 12,412,500 ordinary shares at \$0.016 to raise \$198,600 (before costs). The second tranche which required the approval of shareholders at a General Meeting conducted on 19 August 2024 resulted in the issue of a further 153,212,500 ordinary shares at \$0.016 each which raised \$2,451,400 (before costs).

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Consolidated Entity has the ability to defer discretionary expenditure in line with available funds.

Note 2 Financial Risk Management

The Company has exposure to a variety of risks arising from daily operations. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and Other Receivables

The current nature of the business activity of the Company does not result in trading receivables. Accordingly, the Company's exposure to credit risk in relation to trade receivables is not material.

Cash Deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Company currently has no significant concentrations of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest Rate Risk

The Company has cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements, the Company does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Foreign Exchange Risk

The Company does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 3 Critical Accounting Estimates and Assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to these amounts. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and Evaluation

The future recoverability of capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit areas of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact future recoverability include the level of reserves and resources, future technological changes, future legal changes (including changes to environmental obligations), future changes to rights to tenure and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will impact profit and loss in the year in which this determination is made.

Lease term and the incremental borrowing rate

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date.

Factors considered include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Accounting for share based payments

The values of amounts recognised in respect of share-based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 16 for details of inputs into option pricing models in respect of options issued during the reporting period.

Note 4 Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 5 Revenue

	2024 \$	2023 \$
Revenue from sale of project mineral rights	1,000,000	-
Government grants	104,323	82,057
Rental income	6,880	4,380
Interest revenue	3,893	8,790
	<u>1,115,096</u>	<u>95,227</u>

During the current year, the Company sold its rights to lithium, caesium and tantalum minerals at its Lyons River Project to Delta Lithium Limited: The consideration received was as follows:

- \$500,000 in cash; and
- \$500,000 worth of Delta Lithium Limited ordinary shares.

In April 2024, the Company sold its shares in Delta Lithium Limited shares for \$302,984 which resulted in a loss on disposal of \$197,016.

Note 6 Income Tax

	2024 \$	2023 \$
a) Income tax expense		
Major component of tax expense for the period:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
b) A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2024 and 30 June 2023 is as follows:		
Loss from continuing operations before income tax expense	(1,541,538)	(2,472,701)
Tax at the Australian rate of 25% (2023: 25%)	(385,384)	(618,175)
Non-deductible expenses	85,686	20,948
Temporary differences and tax loss not brought to account as a deferred tax asset	299,698	597,227
Income tax expense	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 6 Income Tax (continued)

	2024 \$	2023 \$
c) Deferred tax assets and (liabilities)		
Exploration expenditure	(86,563)	(62,505)
Carry forward revenue losses	1,699,697	1,343,105
Carry forward capital losses	49,254	-
Section 40-880 costs	77,724	98,225
Prepayments	(1,366)	(5,532)
Property, plant and equipment	(9,459)	(12,629)
Right of Use Assets	-	(19,339)
Lease Liability – current	-	20,458
Provisions	8,416	10,294
Other	4,475	6,188
Net deferred tax benefit not recognised at 25% (2023: 25%)	1,742,178	1,378,265

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

Note 7 Current Assets - Cash and Cash Equivalents

	2024 \$	2023 \$
Cash at bank and on hand	409,236	843,411
	409,236	843,411

(a) Reconciliation to Cash at the End of the Year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	409,236	843,411
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(b) Cash Balances Not Available for Use

As at 30 June 2024 there are no amounts included in cash and cash equivalents that are pledged as guarantees or otherwise unusable by the Company (2023: nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 8 Non-Current Assets – Property Plant and Equipment

	2024 \$	2023 \$
<i>Plant and Equipment</i>		
Cost	60,595	60,595
Accumulated depreciation	(22,759)	(10,081)
Net carrying amount	37,836	50,514
<i>Reconciliation</i>		
Carrying amount at beginning of year	50,514	6,966
Additions	-	52,705
Depreciation charge for the year	(12,678)	(9,157)
Carrying amount at end of year	37,836	50,514

Note 9 Non-Current Assets – Right of Use Assets

	2024 \$	2023 \$
Leases		
Carrying value at the start of the period	77,354	154,709
Depreciation charged	(77,354)	(77,355)
Carrying value at 30 June	-	77,354

A right of use asset has been recognised in respect of the Company's lease of its office at Suite 1, 346 Barker Road, Subiaco, Western Australia. Refer to Note 11 for details of the corresponding lease liability arising from the abovementioned lease. The lease is for a term of three years commencing 1 July 2021.

Under the terms of the lease arrangement, the Company is required to pay a fixed monthly charge of \$6,000 (excluding GST) for the office accommodation and \$1,000 (excluding GST) for exclusive car bay usage.

Rent Review dates occur on 1 July of each year. The amounts payable following the Rent Review dates will be the greater of the fixed rental (immediately payable prior to the Rent Review dates) adjusted for CPI or the fixed rental (immediately payable prior to the Rent Review dates) increased by 3%.

The Company has not taken up the lease option to extend the lease term to 30 June 2027, therefore the right to use asset has been depreciated fully as at 30 June 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 10 Exploration and Evaluation Assets

	2023 \$	2022 \$
Opening balance at start of year	971,759	971,759
Acquisitions during the year	-	-
Closing balance at 30 June	<u>971,759</u>	<u>971,759</u>

Note 11 Current Liabilities

	2024 \$	2023 \$
(a) Trade and other payables		
Trade payables	417,892	288,880
Other payables	13,289	14,520
Other payables – related parties	26,886	13,057
	<u>458,067</u>	<u>316,457</u>

Trade and other payables include both goods and services provided to the company prior to the end of the reporting period, which repaid unpaid. Trade creditors are generally paid within 30 days of recognition.

Other payables include superannuation and pay as you go withholding obligations which are paid and met under statutory guidelines.

	2024 \$	2023 \$
(b) Employee Benefits Provisions		
Annual leave provision (<i>current</i>)	28,365	39,485
Long service leave provision (<i>non-current</i>)	5,300	1,692
	<u>33,665</u>	<u>41,177</u>

Long service leave is recognised in the provision for employee benefits and measured at present value of expected future payments in respect of services provided by employees to the end of the reporting period using the projected unit credit method.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 12 Lease Liabilities

	2024 \$	2023 \$
<i>Corporate Office Lease</i>		
Current Liability	-	81,831
Non-Current Liability	-	-
Fair value at 30 June	-	81,831
<i>Reconciliation</i>		
Opening Balance	81,831	159,101
Lease payments	(84,000)	(84,000)
Finance Expenses	2,169	6,730
Carrying amount at end of year	-	81,831
<i>Maturity of Lease Liabilities:</i>		
1 year or less	-	81,831
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
Over 5 years	-	-
	-	81,831

Note 13 Shareholder Advances

	2024 \$	2023 \$
Shareholder advances	198,600	27,000
	198,600	27,000

These advances represent placement funds that were received on 30 June 2024, and shares were not issued until after the end of the financial year whereby all of these monies were applied in respect of fully paid ordinary shares issued on 1 July 2024. There is no interest payable on these funds held as loans.

Note 14 Issued Capital

a) Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 14 Issued Capital (continued)

	2024		2023	
	No	\$	No	\$
b) Share capital				
Issued share capital	82,750,000	7,311,816	67,450,000	6,669,159
c) Share Movements During the Year				
Balance at the start of the financial year	67,450,000	6,669,159	54,000,000	6,032,624
Shares issued on IPO	-	-	-	-
Shares issued on Placement	15,300,000	697,500	13,450,000	672,500
Less share issue costs	-	(54,843)	-	(35,965)
Balance at end of financial year	82,750,000	7,311,816	67,450,000	6,669,159

On 7 August 2023 the Company completed Tranche Two placement of 8,550,000 fully paid ordinary shares at an issue price of \$0.05 per share before costs.

On 20 October 2023 the Company completed a placement of 5,600,000 fully paid ordinary shares at an issue price of \$0.04 per share before costs.

On 4 December 2023 the Company completed placement of 1,150,000 fully paid ordinary shares at an issue price of \$0.04 per share before costs.

Note 15 Reserves

	2024 \$	2023 \$
a) Options		
Opening balance at start of year	5,000	5,000
Issued subject to IPO Prospectus	-	-
Closing balance at 30 June	5,000	5,000
b) Share based payments		
Opening balance at start of year	83,791	-
Performance rights issued to directors	144,657	83,791
Closing balance at 30 June	228,448	83,791
Total as at 30 June	233,448	88,791

a) Options Reserve

At the end of the financial year 27,375,0000 unissued ordinary shares of the Company are under option as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 15 Reserves (continued)

Number of Options Granted	Exercise Price	Expiry Date
5,000,000	25 cents each	28 September 2024
8,000,000	25 cents each	28 September 2025
14,375,000	8 cents each	5 June 2025

27,375,000 options on issue at the date of this report are vested and exercisable, but subject to separate ASX escrow restrictions.

No options have been cancelled during, or since the end of, the financial year.

No shares have been issued on the exercise of options during, or since the end of the financial year.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Movements in the number of options on issue during the year are as follows:

	2024		2023	
	No	\$	No	\$
Options on issue at the start of the financial period	13,000,000	5,000	13,000,000	5,000
Options issued as part of placement August 2023	11,000,000	-	-	-
Options issued as part of placement December 2023	2,800,000	-	-	-
Options issued to directors	575,000	-	-	-
	27,375,000	5,000	13,000,000	5,000

Reconciliation of Movement of Options Over Unissued Shares During the Year Including Weighted Average Exercise Price (WAEP)

	2024		2023	
	No	WAEP (cents)	No	WAEP (cents)
Opening balance	13,000,000	25.0	13,000,000	25.0
Options issued during the year	14,375,000	0.08	-	-
Options exercised during the year	-	-	-	-
Options cancelled and expired unexercised during the year	-	-	-	-
Options outstanding at the end of the year	27,375,000	11.9	13,000,000	25.0

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 15 Reserves (continued)

b) Share Based Payments Reserve

The Dalaroo Metals Ltd Employees Securities Incentive Plan ("the Plan") was approved at the AGM held on 30 November 2022 by the shareholders of the Company.

All eligible Directors, executive officers and employees of Dalaroo Metals Ltd who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

At the date of this report 3,900,000 performance rights have been issued pursuant to the terms and conditions of the Plan. The vesting conditions for each of the class of performance rights is detailed below:

Class		Key Vesting conditions
1	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.174.
2	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.196.
3	1,300,000	Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the rules of the Plan.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 15 Reserves (continued)

The Incentive Performance Rights to be issued to the Key Management Personnel were independently valued, using the Parisian Barrier 1 Model option pricing model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Input	
Number of Performance Rights	3,900,0000
Share Price at Grant Date ¹	\$0.11
Performance Milestones	<p>(Class 1): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.174.</p> <p>(Class 2): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.196.</p> <p>(Class 3): Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the Plan.</p>
Vesting Period ²	943 Days
Expiry Period ³	1,826 Days
Dividend Yield	Nil
Volatility ⁴	92%
Risk-free interest rate ⁵	3.10% per annum
Estimated value per Performance Right	<p>(Class 1): \$0.0903</p> <p>(Class 2): \$0.0864</p> <p>(Class 3): \$0.1100</p>
Total value of Performance Rights	\$372,710

Notes:

- Based on closing price on 30 November 2022 the valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- Determined from the grant date of the Performance Rights to the expiry date, being 30 November 2025.
- Determined from the proposed grant date of the Performance Rights to the expiry date, being 30 November 30 November 2027.
- Estimated based on Hoadley's GARCH long-run forecast and Exponentially Weighted Moving Average volatility models using share price data over the historical period since the Company commenced trading on the ASX to 30 November 2022. The Independent Valuer sense checked this by analysing the 1-year, 2-year, 3-year and 5-year volatilities of comparable companies both in the nickel/base metal sector as well as the PGE sector separately and considered the volatility estimate used was not unreasonable for an approximate 3-year vesting period.
- Continuously compounded rate based on the interpolated two-year and three-year Australian Government bond yields as at 30 November 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 15 Reserves (continued)

Movements in the number of Performance Rights on issue during the year are as follows:

	2024		2023	
	No	\$	No	\$
Performance Rights on issue at the start of the financial period	3,900,000	83,791	-	-
Issued and expensed during the year	-	144,657	3,900,000	83,791
	3,900,000	228,448	3,900,000	83,791

Note 16 Accumulated Losses

	2024	2023
	\$	\$
Balance at the beginning of the year	(5,219,426)	(2,746,725)
Loss for the year	(1,541,538)	(2,472,701)
Balance at the end of the year	(6,760,964)	(5,219,426)

Note 17 Financial Risk Management

Credit Risk

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

Impairment Losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting year.

Interest Rate Risk

At the reporting date the interest profile of the Company's interest-bearing financial instruments was:

	2024	2023
	Carrying Amount	Carrying Amount
	\$	\$
Variable rate instruments		
Cash and cash equivalents	409,236	843,411
Fixed rate instruments		
Financial Assets	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 17 Financial Risk Management (continued)

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
2024				
Variable rate instruments	4,092	(4,092)	4,092	(4,092)
Fixed rate instruments	-	-	-	-
2023				
Variable rate instruments	8,434	(8,434)	8,434	(8,434)
Fixed rate instruments	-	-	-	-

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at the reporting date the company has total financial liabilities of \$458,066 (2023: \$316,457) which comprised of non-interest bearing trade creditors and accruals with a maturity of less than six months.

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2024		2023	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash and cash equivalents	409,236	409,236	843,411	843,411
Receivables	45,337	45,337	39,822	39,822
Trade and Other payables	(431,181)	(431,181)	(303,400)	(303,400)
Shareholder advances	(198,600)	(198,600)	(27,000)	(27,000)
Related Party payables	(26,886)	(26,886)	(13,057)	(13,057)
	(202,094)	(202,094)	539,776	539,776

Note 18 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2024 (2023: Nil).

The Company has no franking credits available as at 30 June 2024 (2023: Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 19 Key Management Personnel Disclosures

(a) Directors and Key Management Personnel

The following persons were directors or key management personnel of Dalaroo Metals Ltd during the financial year:

- (i) *Chairman – non-executive*
David Quinlivan
- (ii) *Executive director*
Harjinder Kehal, Managing Director
- (iii) *Non-executive director*
Robert Beeck (resigned 28 June 2024)
- (iv) *Non-executive director*
Joshua Gordon (appointed 28 June 2024)
- (v) *Non-executive director*
Bilal Ahmad (appointed 28 June 2024)
- (vi) *Company Secretary*
John Arbuckle

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key Management Personnel Compensation

A summary of total compensation paid to key management personnel during the financial year is as follows:

	2024 \$	2023 \$
Total short-term employment benefits	432,000	437,033
Total share based payments	144,657	83,791
Total post-employment benefits	47,520	43,470
	624,177	564,294

(c) Other Transactions with Key Management Personnel

On 19 August 2021, the Company entered into a three year lease agreement, commencing 1 July 2021, with Borden Holdings Pty Ltd, an entity associated with Mr David Quinlivan, in respect of the lease for the Company's offices. The annual cost of the lease, inclusive of variable outgoings and excluding GST is approximately \$151,000 per annum. The annual rental component under the arrangement is \$84,000 per annum (exclusive of GST). Under the terms of the lease, the Company has an option to extend the lease term for a further three years, commencing 1 July 2024. The lease is considered to be entered into on normal commercial terms.

	2024 \$	2023 \$
Payments to Related Parties:		
Borden Holdings Pty Ltd	141,433	151,773
	141,433	151,773

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 20 Remuneration of Auditors

	2024 \$	2023 \$
Audit and review of the Company's financial statements - Crowe	9,000	29,250
Audit and review of the Company's financial statements – Hall Chadwick	12,000	-
Other services – Audit Form 5 Operation Report	-	2,500
	21,000	31,750

Note 21 Contingencies

(a) Contingent liabilities

There were no material contingent liabilities as at 30 June 2024 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to certain areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(b) Contingent assets

There were no contingent assets as at 30 June 2024 (2023: Nil).

Note 22 Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Company.

As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve months year amount to \$999,000 (2023: \$828,000).

(b) Contractual Commitments

There are no material contractual commitments as at 30 June 2024 (2023: Nil) not otherwise disclosed in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 23 Related Party Transactions

Transactions with Directors during the year are disclosed at Note 19 – Key Management Personnel.

There are no other related party transactions, other than those already disclosed elsewhere in this financial report.

Note 24 Events Occurring After the Balance Sheet Date

On 23 August 2024, the Company completed a two tranche capital raising. The first tranche on 1 July 2024 resulted in the issue of 12,412,500 ordinary shares at \$0.016 to raise \$198,600 (before costs). The second tranche which required the approval of shareholders at a General Meeting conducted on 19 August 2024 resulted in the issue of a further 153,212,500 ordinary shares at \$0.016 each which raised \$2,451,400 (before costs). The shareholders also approved the issue of 182,187,500 Options, exercisable at \$0.036 each, expiring on 23 August 2029, and the issue of 4,000,000 Performance Rights.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Note 25 Reconciliation of Loss After Tax to Net Cash Inflow from Operating Activities

	2024 \$	2023 \$
Loss for the year	(1,541,538)	(2,472,701)
<i>Non-cash adjustments:</i>		
Depreciation	90,032	86,511
Interest on Lease Liability	2,169	6,958
Share Based Payments	144,657	83,791
Income from sale of tenement rights to investing activities	(1,000,000)	-
Loss on sale of shares in listed company	197,016	-
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	(5,517)	10,741
(Decrease)/increase in payables	141,609	(88,419)
(Increase)/decrease in other assets	16,666	(10,008)
Increase in provisions	(7,512)	23,810
Net cash (outflow) from operating activities	(1,962,418)	(2,359,317)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 30 JUNE 2024

Note 26 Earnings Per Share

	2024	2023
	Cents	Cents
Basic / diluted loss per share		
Loss attributable to ordinary equity holders of the Company (cents per share)	(1.93)	(4.49)
	\$	\$
Loss used in calculation of basic / diluted loss per share		
Loss	(1,541,538)	(2,472,701)
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic / diluted loss per share	79,772,603	55,031,781

Note 27 Ultimate Parent Entity

At 30 June 2024, the Company considered Serena Minerals Limited to be its ultimate parent entity. Although Serena Minerals Limited holds less than 50% of the issued capital of the Company, based on the number of Directors of Serena Minerals Limited who are also Directors of the Company, it was concluded that the Company's ultimate parent was Serena Minerals Limited.

Note 28 Consolidated Entity Disclosure

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident
Dalaroo Metals Limited	Body Corporate	-	100	Australia	Australian

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DIRECTORS' DECLARATION
FOR THE YEAR END 30 JUNE 2024

In the opinion of the Directors of Dalaroo Metals Ltd ("the Company")

- (a) the financial statements and notes set out on pages 36 to 62 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard *AASB 124 Related Party Disclosures*, the Corporations Act 2001 and the Corporations Regulations 2001.
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 26th day of September 2024.



Harjinder Kehal
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALAROO METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dalaroo Metals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Exploration Expenditure</p> <p>The Entity had an exploration and evaluation expenditure balance of \$971,759 as at 30 June 2024 and during the year incurred exploration expenditure of \$1,381,697.</p> <p>Exploration and evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balance to the Entity's financial position. The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 ('AASB 6') is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. The assessment of impairment of exploration and evaluation expenditure requiring significant judgement. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Entity holds an interest and the exploration programs planned for those tenements. For each area of interest, we assessed the Entity's rights to tenure. Substantiated a sample of expenditure by agreeing to supporting documentation. We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> the licenses for the right to explore expiring in the near future or are not expected to be renewed; substantive expenditure for further exploration in the specific area is neither budgeted or planned; decision or intent by management to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Dalaroo Metals Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 26th September 2024
Perth, Western Australia

DALAROO METALS LTD
ACN 648 476 699

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 18 September 2024.

1. Shareholding

a) Distribution of Shareholders

Holding Range	Number of Holders	Fully Paid Ordinary Shares	Percentage
1 – 1,000	9	1,164	0.000%
1,001 – 5,000	38	121,354	0.049%
5,001 – 10,000	67	596,199	0.240%
10,001 – 100,000	254	10,960,593	4.413%
100,001 +	119	236,695,690	95.298%
Totals	487	248,375,000	100.000%

b) Listed Options

At the date of this report, the Company has no listed options.

c) Unmarketable Parcels

At \$0.027 per share, the minimum marketable holding size is 18,518. 165 shareholders hold less than this amount, collectively they hold 1,449,677 ordinary shares.

d) Top 20

The 20 largest shareholders hold 82.59% of the Company's ordinary shares

e) Issued Capital

There are 248,375,000 shares on issue, held by 487 shareholders.

f) Substantial shareholders (greater than 5%)

The substantial shareholders in the Company on 18 September 2024 are the following:

- Ms Chunyan Niu holding 45,250,000 fully paid ordinary shares – 18.22%
- Mrs Ifrah Nishat holding 28,625,000 fully paid ordinary shares – 11.52%
- Mr David Dominic Pevcic 22,812,500 fully paid ordinary shares – 9.18%
- Mr Bilal Ahmad 12,500,000 fully paid ordinary shares – 5.03%
- Mr Jason Peterson 12,520,000 fully paid ordinary shares – 5.03%
- Kobala Investments Pty Ltd 12,500,000 fully paid ordinary shares – 5.03%

g) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

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ASX ADDITIONAL INFORMATION

h) Top 20 Holders (Ordinary Shares)

Position	Holder Name	Shares	%
1	MS CHUNYAN NIU	45,250,000	18.22
2	MRS IFRAH NISHAT	28,625,000	11.52
3	MR DAVID DOMINIC PEVCIC	22,812,500	9.18
4	MR BILAL AHMAD	12,500,000	5.03
5	CELTIC FINANCE CORP PTY LTD	12,500,000	5.03
6	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	12,500,000	5.03
7	SERENA MINERALS LIMITED	11,300,000	4.55
8	SHENTON RESOURCES LIMITED	11,225,000	4.52
9	PERTH SELECT SEAFOODS PTY LTD	5,750,000	2.32
10	MR JOSHUA GORDON	5,375,000	2.16
11	CLAYTON CAPITAL PTY LTD	4,687,500	1.89
12	N&J MITCHELL HOLDINGS PTY LTD <ORD STREET PROPERTIES A/C>	3,324,493	1.34
13	MRS TRACEY LE-ANNE VASSALLO	3,114,973	1.25
14	JOJO ENTERPRISES PTY LTD <SFI FAMILY A/C>	2,812,500	1.13
15	HARSHELL INVESTMENTS PTY LTD <KAPLAN FAMILY A/C>	2,812,500	1.13
16	RAROA PTY LTD <RAROA SUPERANNUATION A/C>	2,419,290	0.97
17	CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	2,360,000	0.95
18	MR PAUL ST WOOD	2,130,024	0.86
19	MGL CORP PTY LTD	2,125,000	0.86
20	BORDEN HOLDINGS PTY LTD	2,100,000	0.81
Total:		195,723,780	78.75
Total issued capital – ordinary shares		248,375,000	100.00

2. Unquoted Securities

The Company has the following unquoted securities on issue as at 18 September 2024

Number on Issue	Class	Number of Holders
8,000,000	Unlisted Options exercisable at \$0.25 expiring on 28 September 2025	2
5,000,000	Unlisted Options exercisable at \$0.25 expiring on 28 September 2024	18
14,375,000	Unlisted Options exercisable at \$0.08 expiring on 5 June 2025	41
182,187.500	Unlisted Options exercisable at \$0.036 expiring on 23 August 2029	28
3,900,000	Performance Rights 1	3
8,000,000	Performance Rights 2	2

Holders over 20% in each unquoted class of securities

Holder Name	Class	% Held in Class
Serena Minerals Limited	Unlisted Options exercisable at \$0.25 expiring 28 September 2025	50.00%
Shenton Resources Limited	Unlisted Options exercisable at \$0.25 expiring 28 September 2025	50.00%
Cityscape Asset Pty Ltd <Cityscape Family A/C>	Unlisted Options exercisable at \$0.25 expiring 28 September 2024	38.94%
CPS Capital Group Pty Ltd	Unlisted Options exercisable at \$0.25 expiring 28 September 2024	28.50%
Ms Chunyan Niu	Unlisted Options exercisable at \$0.036 expiring 23 August 2029	24.01%
Mr David Quinlivan	Performance Rights 1	30.77%

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Mr Robert Beeck	Performance Rights 1	30.77%
Mr Harjinder Kehal	Performance Rights 1	38.46%
Mr Bilal Ahmad	Performance Rights 2	50.00%
Mr Joshua Gordon	Performance Rights 2	50.00%

3. The name of the company secretary is John Arbuckle.
4. The address of the principal registered office is :
Suite 1, 346 Barker Road, Subiaco, WA 6008
5. Registers of Securities are held at the following address:
Automic Pty Ltd, Level 5, 126 Phillip Street, Sydney, NSW 2000
6. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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.

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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ASX ADDITIONAL INFORMATION

Tenement Schedule as at 30 June 2024

Project Name	Location	Tenement Licence	Interest held at 30 June 2024
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%
Lyons River	WA	E09/2713	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	E70/5604	100%