Dalaroo Secures Option on Blue Lagoon Zirconium, Niobium and Rare Earth Project in Greenland

Highlights

- **Binding Heads of Agreement executed for an Option to acquire 100% of Blue Lagoon Zirconium-Niobium-Rare Earth Element (REE) Project, (MEL 2022-07), located in the Gadar Province of Greenland.**
- **The USGS reports Greenland has the third highest reserves of REE in the western world, following US and Australia respectively, which has significance given current geopolitical dynamics and security of supply chain concerns.**
- **President Trump's recent interest in Greenland as a source of critical resources and its strategic location highlights the growing importance Greenland has for critical metals and their ownership.**
- **The Project has been historically sampled as part of a regional stream sediment exploration undertaken by the Greenland and Denmark Geological Society ('GEUS") for uranium in 1979. Dalaroo is planning a program of systematic exploration to seek to report the historical results on the Project in accordance with the JORC Code 2012.**
- **Project has similar geochemical anomaly footprint to the Kvanefjeld (ASX: ETM Energy Transition Metals) and Kringlerne/Tanbreez (NASDAQ: CRML Critical Metals Corp) multi-element deposits in South Greenland, showing enrichment in critical minerals and high value LREE elements from regional stream sediment sampling:**
  - **Up to 0.93% Zirconium (Zr)**
  - **Up to 320 ppm in Niobium (Nb)**
  - **Up to 520 ppm in Neodymium (Nd)**
- **Sampling has not returned any elevated radioactive elements, which is significant given the current Greenland Government ban on any activities related to mining if uranium concentrations are over 100ppm.**
- **Project sits on the westernmost part of the highly prospective Gadar Block alkaline intrusives belt in SW Greenland. This belt hosts significant advanced critical metals-REE deposits.**
- **Project area contains potential bulk tonnage options from beach-like deposits of weathered granitic rock, providing potential low-cost options for separation and the planned focus for preliminary work.**

Dalaroo Metals Ltd (**ASX: DAL**, "Dalaroo" or "Company") is pleased to advise that it has entered into a binding heads of agreement ("Agreement") with Ox Resources Pty Ltd ("Vendor") to potentially acquire the Zr-Nb-REE Blue Lagoon Project (tenement MEL 2022-07) ("Project") located in the Gadar Province of South Greenland (refer Figure 1 and 3). The Project has been historically sampled as part of a regional stream sediment program undertaken by the Greenland and Denmark Geological Society ('GEUS") for uranium exploration in 1979.

Dalaroo MD & CEO, Mike Brown commented "*We are very excited to have secured this Option on the Blue Lagoon REE-Nb-Zr Project in Southwest Greenland. Regional stream sampling has indicated significant LREE anomalies and other critical metals that have both similar tenor to the geochemical footprint and geological setting of three other REE deposits in South Greenland. We see this as a strategic play on two levels; firstly, exposure to high demand commodities such as REE, niobium and zirconium and secondly, exposure to a highly prospective and unexplored jurisdiction that is getting significant attention with respect to the vital role Greenland could play in providing critical metals in the future. With the Project being located on the coast with ice free water we are looking forward to getting onto the ground to commence exploration activities.*"

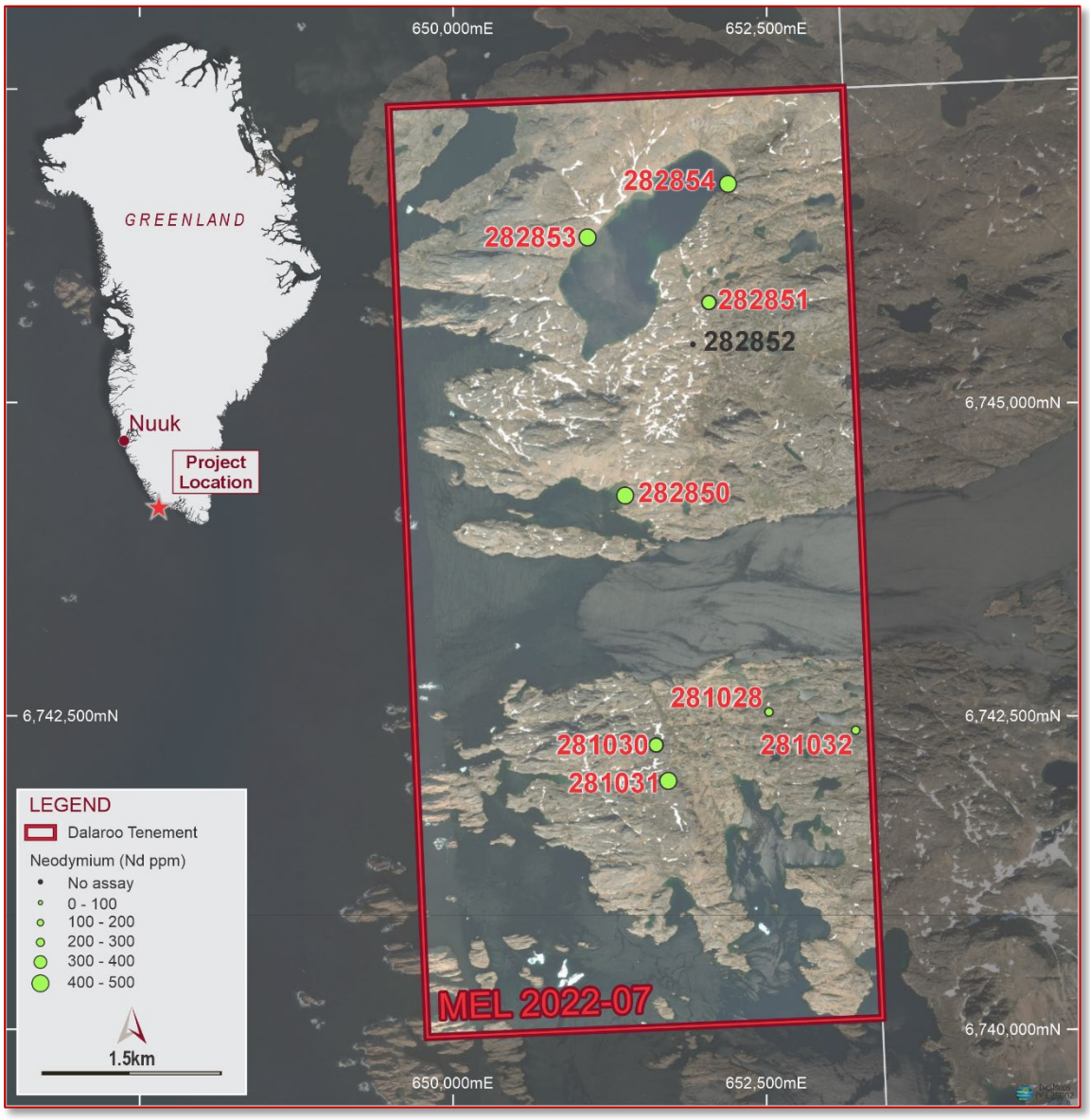

Figure 1: Project location, GEUS regional stream sediment location and neodymium assay results.

TABLE 1: BLUE LAGOON PROJECT EXPLORATION RESULTS

The Project area was historically sampled by GEUS in 1979 for uranium as part of a regional stream sediment program targeting uranium and other metals in South and West Greenland between 1978 and 1993.

Selected elements from all stream sediment samples taken within MEL 2022-07 as part of GEUS regional stream sediment program. Source: GEUS web portal. INAA=Instrumental Nuclear Activation Analysis, XCD=Xray Crystal Diffraction

	REE											
	LREE					HREE						
Sample_ID	La (ppm)	Ce (ppm)	Nd (ppm)	Sm (ppm)	Eu (ppm)	Tb (ppm)	Yb (ppm)	Lu (ppm)	Th (ppm)	U (ppm)	Nb (ppm)	Zr (ppm)
281028	270	410	**200**	35	2.8	4.7	14	1.3	21	5.6	**129**	**2059**
281030	600	870	**360**	65	4.7	11	39	5	51	18	**294**	**1063**
281031	590	990	**410**	65	4.2	11	31	3	61	14	**279**	**5054**
281032	220	290	**160**	28	2.7	4.4	18	2.4	22	7.1	**193**	**3773**
282850	710	1300	**520**	79	12	12	60	5.2	88	14	**326**	**9360**
282851	550	870	**390**	66	5	9.7	39	4.2	45	11	**13**	**246**
282852											**118**	**3520**
282853	780	1800	**500**	80	5.9	11	44	4.7	64	10	**126**	**3286**
282854	660	1400	**500**	75	9.9	11	49	5.3	73	18	**200**	**7240**
Analysis type	INAA	INAA	INAA	INAA	INAA	INAA	INAA	INAA	INAA	INAA	**XCD**	**XCD**

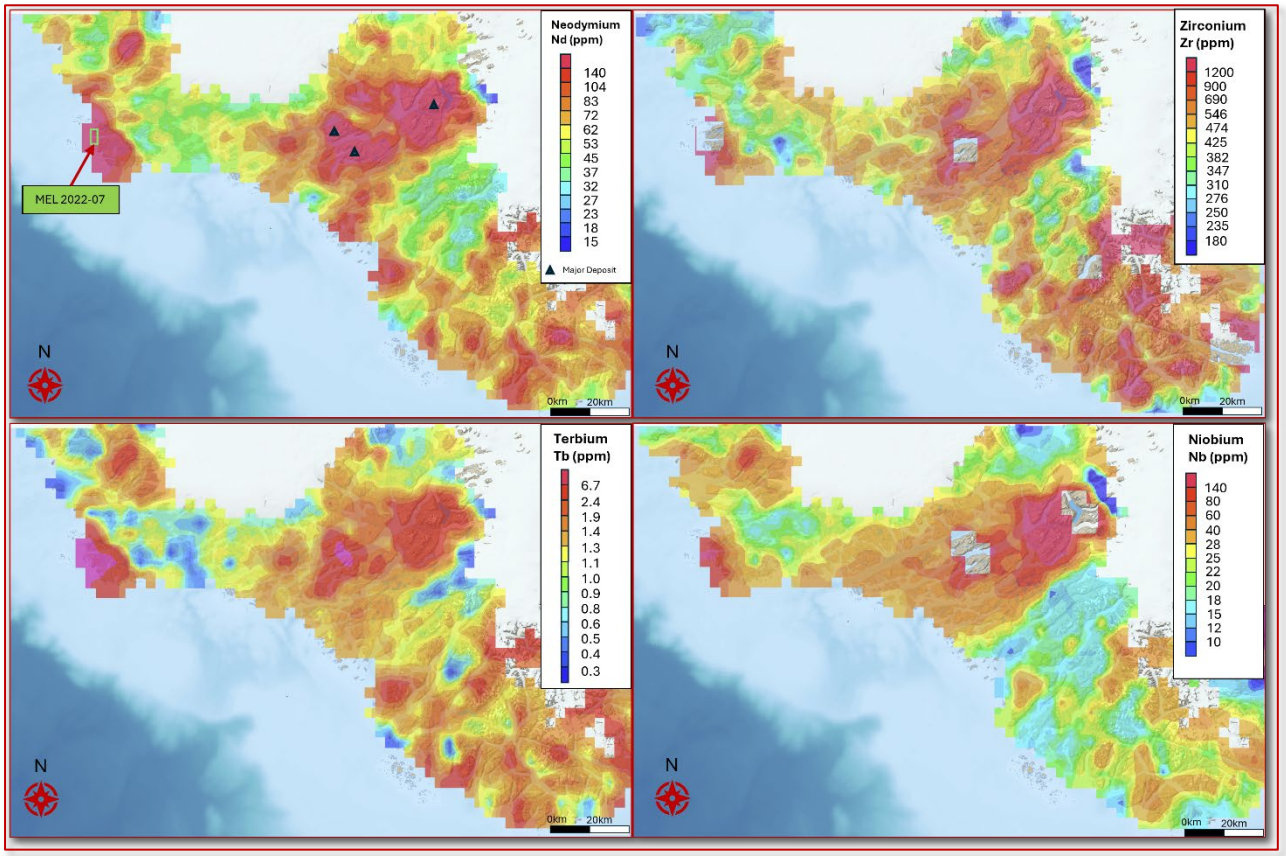

Figure 2: Contour maps of regional geochemical distribution for neodymium (Nd) and terbium (Tb) and zirconium (Zr) and niobium (Nb) showing elevated responses over Gadar alkaline intrusives and location of the Blue Lagoon project (MEL 22002-07). Source: GEUS web portal.

The results on a local and regional scale indicate significant enrichment in Nb-Zr-Hf and LREEs, in particular Nd. Notably the tenor of these anomalies is similar to anomalies that coincide with the 3 other multi metallic deposits within the Gadar intrusives belt 120-140km to the northwest of Blue Lake (Kvanefjeld, Kringlerne/Tanbreez and Motzfeldt) (see Figure 2). Analysis was not done for the full suite of REE but displays marked enrichment in the magnetic LREE elements, such as Neodymium, Samarium, Terbium (see Table 1). Importantly there appears to be no enrichment in radioactive elements Uranium and Thorium.

GEOLOGICAL SETTING

The Paleoproterozoic Province in South Greenland is a cratonic rift province consisting of sandstones, and a variety of alkaline volcanic and plutonic igneous rocks. The Mesoproterozoic Gadar alkaline intrusive complexes intruded into this rift setting. The MEL 2022-07 exploration licence lies within the Helene granite unit, which forms the westernmost exposure of the large Nunarsuit Complex. The Nunarsuit Complex is the largest and amongst the youngest of numerous Gardar age intrusions in South Greenland. It is comprised of alkaline syenite and granitic units (see Figure 3). The Project lies within the mapped Helene alkaline granite, which forms the westernmost unit of the Nunarsuit Complex. It is bounded to the east by an extensive alkalic syenite.

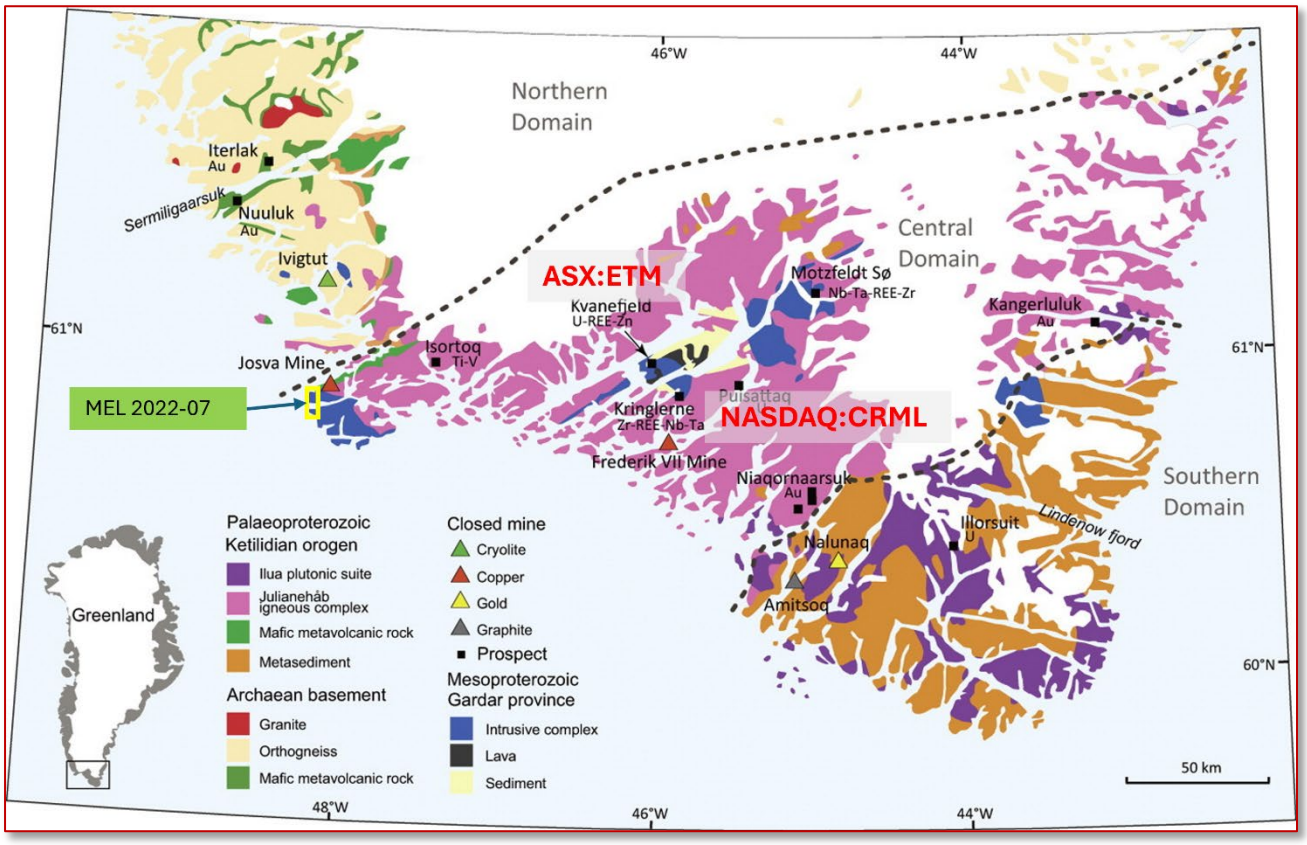

Figure 3: SW Greenland Geology and mineral deposits and occurrences. Blue Lagoon association with Gadar Block alkaline intrusives with a similar setting to other major multi-metallic deposits. Modified from Steenfelt et al 2016

DISCUSSION

The western anomaly seen in all four contouring images presented Figure 2 is spatially associated to the Helene granitic unit, and to a lesser extent the alkalic syenite to the east of it that is mapped on the western part of the peninsula by GEUS as part of the Gadar intrusive (see Figure 3). Prospecting visits to the property by the Vendor have indicated the presence of significant colluvial and alluvial material by streams into and surrounding the Blue Lake in the form of beaches and scree slopes (see Figs 4 and 5).

Weathering and production of this erosional material is reported as being along crystal boundaries, resulting in whole crystal particles from coarse feldspar crystals down to finer grained mafic and heavy minerals. There is no development of in situ clay or soil. At this stage it is unknown if the alkalic granite, or potential pegmatites, dikes or intrusive units within the granite are the source of the multi-element anomalies.

CAUTIONARY STATEMENT:

- The historical results included in this announcement have not been reported in accordance with the JORC Code 2012;
- A Competent Person has not done sufficient work to disclose the historical results in accordance with the JORC Code 2012;
- Information collected by the Vendor has not involved systematic sampling nor has it been able to be verified or located and on this basis the CP does not consider it reliable to report under either JORC2012 or as historical foreign mineralisation and these results have not been referenced.
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported historical results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of the Company that has caused it to question the accuracy or reliability of the GEUS's previous historical results; but
- The Company has not independently validated the GEUS's previous historical results and therefore is not to be regarded as reporting, adopting or endorsing the historical results.

CONCLUSIONS

The large and highly anomalous REE and associated element geochemical anomaly over the Project area provides a compelling multi-commodity exploration target. The Vendor has identified the presence of potential bulk tonnage 'placer' type deposits from nearby in-situ weathered granite. This is characterised by highly anomalous LREE and Nb signature, which is very similar to the geochemical signature that coincides with 3 other significant REE deposits in South Greenland associated with Gadar Block alkaline intrusives. Unlike these deposits there appears to be no associated U mineralisation and only low Th signature. This is significant given the current ban on mining projects in Greenland with U concentrations of over 100ppm.

NEXT STEPS AND INDICATIVE NEWSFLOW

Initially Dalaroo is planning to focus on alluvial and colluvial deposits around the "Blue Lake" where weathering of the alkaline granite might have favourably deposited heavy minerals that are likely to host the REE and associated elements. Work will be done to characterize the geochemistry, mineralogy, distribution and volume of these as a potential bulk tonnage deposit. This would have the very significant benefit of not requiring any hard rock mining. Separating the fine heavy mineral fraction from the coarse-grained weathered feldspar crystals would be very simple and low cost, which could provide significant cost advantages. Extending the exploration into the surrounding granite bodies via reconnaissance mapping and sampling will form a key part of the initial program.

The exploration season in this part of Greenland is more extensive than most of Greenland, running from May to September each year.

Dalaroo is fully funded to complete the aforementioned work program in the upcoming exploration season from its existing working capital. Funds directed to exploration at the Blue Lagoon Project in Greenland will not impact on exploration at DAL's existing projects.

Figure 4: Colluvial and alluvial weathering accumulations from granitic country rock surrounding Blue Lake. Source: Vendor

Figure 5: Coarse crystal rich 'beach' at Blue Lake. Source: Vendor.

STRATEGIC RATIONALE

Dalaroo recognizes the strategic importance of acquiring a rare earth, niobium, and zirconium project in Greenland, especially in light of recent geopolitical developments. President Donald Trump's renewed interest in purchasing Greenland underscores the island's current reserves and future potential for hosting critical minerals, which are essential for advanced technologies and national security. This geopolitical focus not only highlights Greenland's resource potential but also emphasizes the urgency for secure and diversified supply chains. By investing in Greenland's mineral projects, Dalaroo is positioning itself at the forefront of supplying these in-demand resources, aligning with global efforts to reduce dependence on single-source suppliers and contributing to the advancement of technology and defence sectors worldwide.

TENEMENT DETAILS

The Blue Lagoon Project consists of one mineral exploration tenement, MEL 2022-07, granted on 20 May 2022 and valid for 5 years. Exploration licences can be extended for additional 5-year periods.

Lic code	Owner name	Applic date	Applic code	Grant_date	Lic_type	Expiry date	Lic status	Lic type id
MEL2022-07	Ox Resources Pty Ltd Greenland	2021-12-16	M-MLSA-325	2022-05-20	Mineral Exploration Licence (MEL)	2027-05-19	Active License	268

There are no pre-existing royalties on the Project and the Vendor is the sole and 100% owner of the tenement.

HEADS OF AGREEMENT TERMS

The key terms of the Agreement are as follows:

- An exclusive Option to acquire a 100% legal and beneficial interest in the Project ("Option");
- In consideration for the Option, Dalaroo agrees to pay the Vendor an Option fee of A$50,000;
- The Option is exercisable by Dalaroo at any time prior to the Option expiring on 31 December 2025;
- If Dalaroo exercises its Option ("Completion") on or before 31 December 2025 then it agrees to pay the Vendor:
  - A$150,000 in cash;
  - Reimbursement of exploration expenditure incurred by the Vendor in the two years prior to the execution date of the Agreement, up to a maximum of $150,000, in either cash or shares in Dalaroo, at the election of Dalaroo. If paid in shares the shares will be valued on the 5-day VWAP of Dalaroo prior to the date of issue, subject to obtaining shareholder approval for the issue of the shares.
  - The Vendor will, subject to shareholder approval, be entitled to the following shares on the achievement of the relevant milestones below:
    - A$125,000 of shares subject to Dalaroo announcing a Ground Penetrating Radar Program determining the volume of loose material or the first drilling program on the Project within 24 months from Completion;
    - A$150,000 of shares subject to Dalaroo announcing a Maiden Mineral Resource Estimate on the Project within 24 months form Completion, at a deemed issue price equal to the lower of the 5-day VWAP prior to the date of issue or A$0.05 per share; and
    - A$175,000 of shares subject to Dalaroo releasing a Maiden Scoping Study on the Project within 24 months from Completion, at a deemed issue price equal to the lower of the 5-day VWAP prior to the date of issue or $0.10 per share,

      (together, the "Milestone Shares").
- The 'Conditions Precedent' include Dalaroo:
  - undertaking exploration expenditure of not less than A$150,000 on the Project;
  - Completing legal and technical due diligence on the Project to the satisfaction of Dalaroo;
  - obtaining all regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other applicable law to the allow the transaction to occur;

  - obtaining a waiver from ASX Listing Rule 7.3.4 to permit the issue of the Milestone Shares outside the 3-month period for the date that shareholder approval is obtained;
  - obtaining shareholder approval for the purposes of ASX Listing Rule7.1 for the issue of the Milestone Shares; and
  - obtaining all third-party approvals and consents necessary to complete the transaction.
- Post Completion the title and risk in the Project will pass to Dalaroo and it is obligated to spend A$500,000 on exploration expenditure on the Project within the first 12 months and a further A$500,000 in the second 12 months after that.
- The Vendor, nor its associated parties, are permitted to apply for any new tenements with 5 kilometres of the Project during the period of the Agreement.

The Company has entered into an agreement with Bullion Ventures Pty Ltd, an unrelated party, to receive a 'finders fee' of 4% of the consideration value paid to the Vendor, which is payable in either cash or shares (based on the 15-day VWAP prior to Completion and subsequent respective milestones), at each increment of the consideration value being paid by Dalaroo to the Vendor. Where this fee is payable in shares it will be subject to shareholder approval.

Furthermore, upon execution of the Agreement, Dalaroo has also agreed to issue Rimbal Pty Ltd (or its nominees), an unrelated party, a 'facilitator fee' of A$15,000 worth of shares at a deemed issue price of A$0.026 (being, the end of day trading price on 17 February 2025). The resulting 576,923 shares will be issued from Dalaroo's existing Listing Rule 7.1 capacity.

The acquisition of the Project from the Vendor will not constitute a change in the nature and scale of the Company's activities as the transaction represents an increase of less than 25% to the Company's total consolidated assets, total equity and its budgeted expenditure for the next 12 months. For this reason, Dalaroo will not seek shareholder approval to the acquisition.

ENDS

Authorised for release to the ASX by the Board of Dalaroo Metals Ltd.

For more Information:

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

Michael Brown, Managing Director on +61 466 856 061

HISTORICAL SAMPLING AND ASSAYING RESULTS

The historical results on the Project reported were part of a regional stream sediment program undertaken by the Greenland and Denmark Geological Society ('GEUS"). In respect of the previous historical results from the Project, the Company confirms the following:

- The historical samples within the Project were collected in 1979 and regionally from 1978-1993, and the results are publicly available on the GEUS web portal; https://maps.greenmin.gl/geusmap/?mapname=greenland_portal&lang=en&lang=en#baslay=&optlay=&extent=-2812222.222222222,5714583.333333334,3632222.222222222,10185416.666666666&layers=g250_topographic_map_utm24n
- As these samples were taken historically by GEUS and predate the JORC CODE 2012 they may not conform to JORC CODE2012.
- GEUS undertook a comprehensive calibration and compilation of all stream sediment sampling and analysis for samples taken between 1979 and 1993[1]. The results have not been validated by the Company's Competent Person, nor has the Competent Person done sufficient work to disclose in accordance with JORC CODE 2012. However, given the samples were taken by GEUS, and subsequently calibrated and compiled, and nothing has caused any reason to doubt the accuracy and reliability of the results, they are considered by the Competent Person to be valid and representative in the context of part of a national geochemical database which therefore appears to establish the dataset as valid and reliable.
- The CP considers that the results can be considered to be valid and representative based on the review of sampling and conforming substantially to JORC2012 Chapter 5 Table 1 guidelines as per the following:
    - Sampling methodology, density of sampling, storage, preparation and analysis discussed are considered to be acceptable.
        - The samples reported are a subset of a regional stream sediment program undertaken by GEUS from 1978-1993. All samples were collected in paper bags, which were dried in the field, wrapped in newspaper, packed in boxes, and subsequently shipped to GGU in Copenhagen. A total of 9 samples were collected in the Project, which is 27km^2. This is sufficient density for first pass stream sediment sampling and the location of samples is considered to give adequate and representative coverage of the geology within the Project.
    - Analysis methodology appropriate and results internally audited and validated by GEUS
        - The samples were dried at 600C and sieved into three grain size fractions. The < 0.1 mm fraction has been used for analysis, the fraction from 0.1 to 1 mm has been retained in storage, while the fraction above 1 mm has been discarded.
        - Samples were sieved to 100 micron and were analysed via Instrumental Neutron Activation Analyses (INAA) by Activation Laboratories Ltd, Toronto, ("ACTLabs") and in the case of niobium and zirconium they were analysed at Risø National Laboratory, Roskilde, Denmark using x-ray crystal diffraction ("XCD"). These are both suitable methodologies that were available at the time for those type of elements.
    - Sample location was based on topographical maps and air photos, which was standard practice in 1979. As such these are considered as being representative, but not specific locations, which is adequate for first-pass regional stream sediment sampling. They have subsequentially been digitised, which is standard industry practice. Follow-up work is planned for more exact sampling to determine location and source of anomalous elements.
    - Audit and review: GEUS dataset for South Greenland was collected over a number of years, with different laboratories performing different analysis for different element suites and methods in different years This entire dataset was calibrated and adapted by GEUS to make all subsets

[1] "Compilation of data sets for a geochemical atlas of West and South Greenland based on stream sediment surveys 1977 to 1997." *GEUS, 1997-41*. Agnette Steenfelt

statistically aligned and comparable to produce one validated dataset. This is considered to form a valid and reliable dataset for initial exploration activity.

- Samples were assayed results from 8 of 9 samples on the Project which are reported for minor and REE elements and reported in Table 1. One sample, 282852, was not assayed by the same methods as the other samples and as such isn't reported for all elements.
- There have been no more recent results or data produced that are considered to be valid relevant to understanding the previous historical results on the Project. The Vendor has visited the Property and undertaken minor prospecting activity. This has not been systematic, the sampling techniques and locations have not been provided, and assay procedures and protocol have not been described. As such the CP does not consider them to be relevant or valid without considerably more work. These results are not reported by the Company.
- The Company intends to validate the sampling through more extensive geochemical program that will include sampling streams, placer deposits, colluvial deposits and bedrock that is complaint and reported with JORC CODE 2012 to gain a clearer understanding of the geochemical nature of the reported anomalous elements in the GEUS program over the Project.
- Dalaroo is planning to focus on alluvial and colluvial deposits around the "Blue Lake" where weathering of the alkaline granite might have favourably deposited heavy minerals that are likely to host the REE and associated elements. Work will be done to characterize the geochemistry, mineralogy, distribution and volume of these as a potential bulk tonnage deposits. Extending the exploration into the surrounding granite bodies via reconnaissance mapping and sampling will form a key part of the initial program.
- The Company will seek to undertake its exploration activities in 2025 during the upcoming exploration season in Greenland which runs from May to September.
- The Company is fully funded to complete the aforementioned work program in the upcoming exploration season from its existing working capital.

CAUTIONARY STATEMENT

- the historical results included in this announcement have not been reported in accordance with the JORC Code 2012;
- a Competent Person has not done sufficient work to disclose the historical results in accordance with the JORC Code 2012;
- Information collected by the Vendor has not involved systematic sampling nor has it been able to be verified or located and on this basis the CP does not consider it reliable to report under either JORC2012 or as historical foreign mineralisation and these results have not been referenced.
- it is possible that following further evaluation and/or exploration work that the confidence in the prior reported historical results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of the Company that has caused it to question the accuracy or reliability of the GEUS's previous historical results; but
- the Company has not independently validated the GEUS's previous historical results and therefore is not to be regarded as reporting, adopting or endorsing the historical results.
- A Competent Person's statement is set out below.

COMPETENT PERSON

The information in this release that relate to the historical results on the Project is based on information compiled by Dalaroo Metals Ltd and reviewed by Mr Michael Brown who is a Geologist and Member of the AIG. Mr Brown 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 Brown consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

FORWARD-LOOKING INFORMATION

This release may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the planned exploration program and other statements that are not historical facts. When used in this report, the words "could", "plan", "estimate", "expect", "intend", "should" and similar expressions are forward-looking statements. Although Dalaroo believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

CAUTIONARY NOTE

The statements and information contained in this release are not investment or financial product advice and are not intended to be used by persons in deciding to make an investment decision. In releasing this report, Dalaroo has not considered the objectives, financial position or requirements of any particular recipient. Accordingly, potential investors should obtain financial advice from a qualified financial advisor prior to making an investment decision.