

Maiden AC drilling commences at Browns prospect, Lyons River

Highlights

- AC drilling underway at the Browns prospect, Lyons River Project
- Drill program to test a compelling 2km long X 1km wide lead-zinc BHT/SEDEX target following the completion of heritage surveys and approvals

Dalaroo Metals Ltd (“DAL” or “Company”) is pleased to provide an update on exploration activities at the Lyons River Project (“Lyons River” or “Project”), where a program of air core (AC) drilling has begun at the Browns prospect following the completion of a heritage survey and approvals (Figure 1). The AC drilling program is expected to consist of approximately 1,500m.

Lyons River comprises a strategic (100% owned) land position of 703 km² within the Proterozoic Mutherbukin Zone of the Gascoyne Province, Western Australia. The Company 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 30 km by 10 km (Figure 2).



Figure 1: AC drill rig at Browns prospect

The Company's maiden AC drill program at the Browns prospect is designed to test a very compelling broad Pb-Zn soil and rock chip geochemical anomaly (max 1445ppm Pb, 1080 Zn ppm) with a strike length of 2km and width of 1km, associated with extensive iron-rich and gossanous material at surface (Figure 3 and 4).

Detailed gravity surveys completed by the Company in 2021, complementing historical surveys by BHP, show a coincident gravity low suggesting an area of possible deepening basin development at Browns, potentially associated with a base metal zone of mineralisation. The northern part of the Browns coincident Pb and Zn soil geochemical anomaly appears to lie at the intersection of two NW-SE striking parallel features identified within the magnetics/gravity data that are interpreted as thrusts structures (Figure 3 and 4).

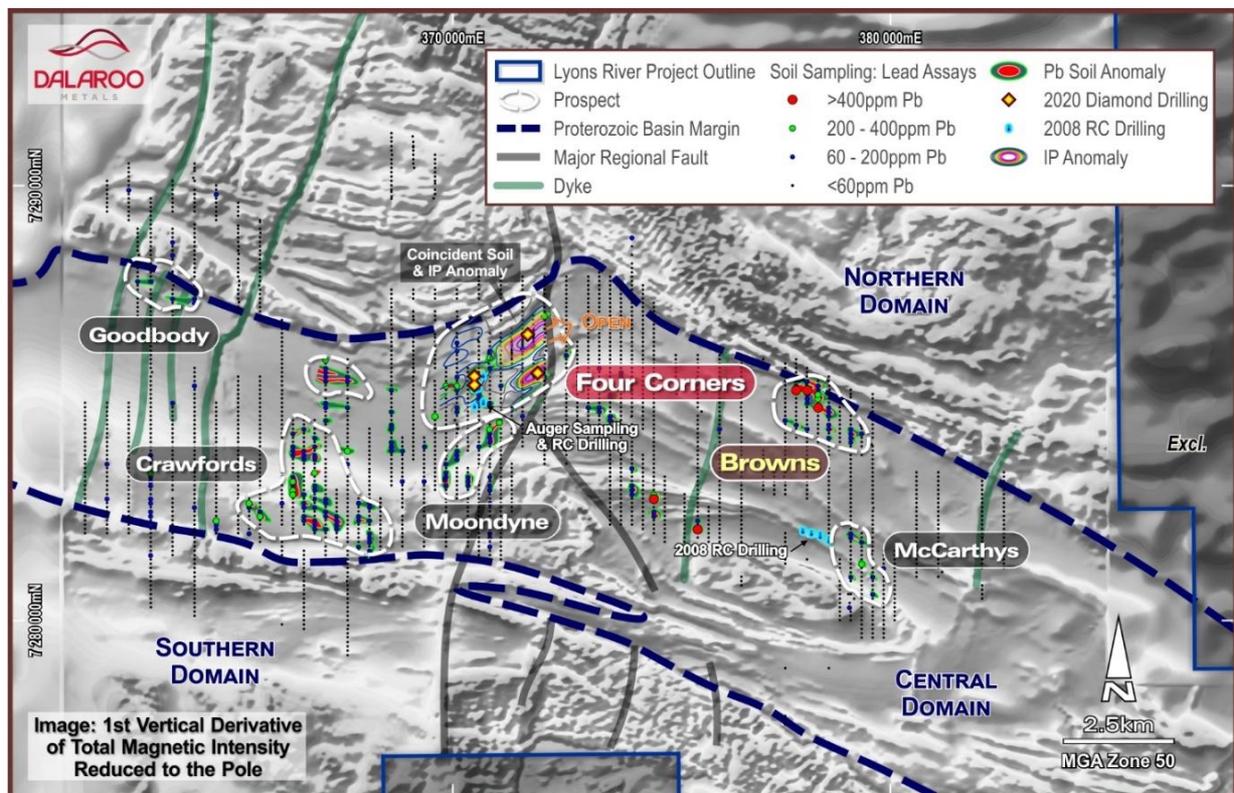


Figure 2: Lyons River, Browns prospect and other five Pb-Zn soil geochemical prospects /targets over greyscale 1 Vertical Derivative image

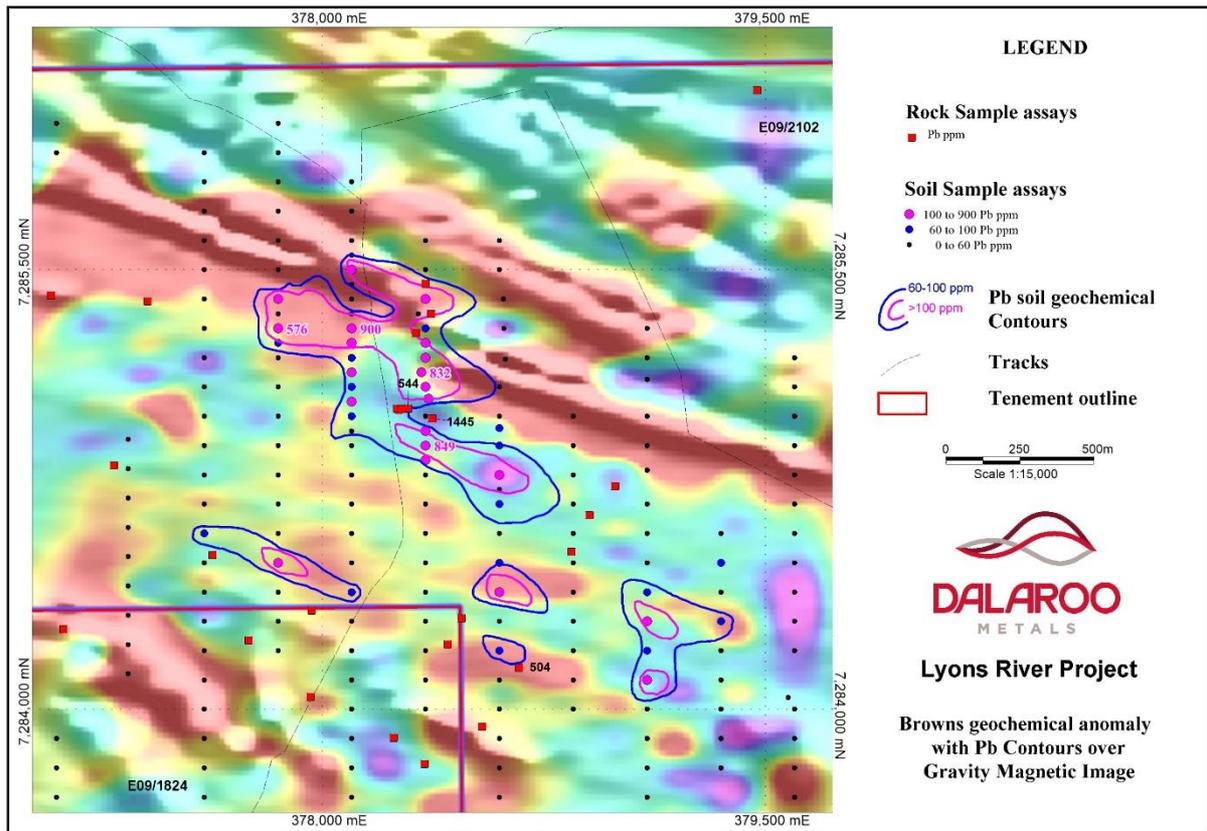


Figure 3: Browns Pb soil geochemical anomaly over combined detailed magnetics and gravity image

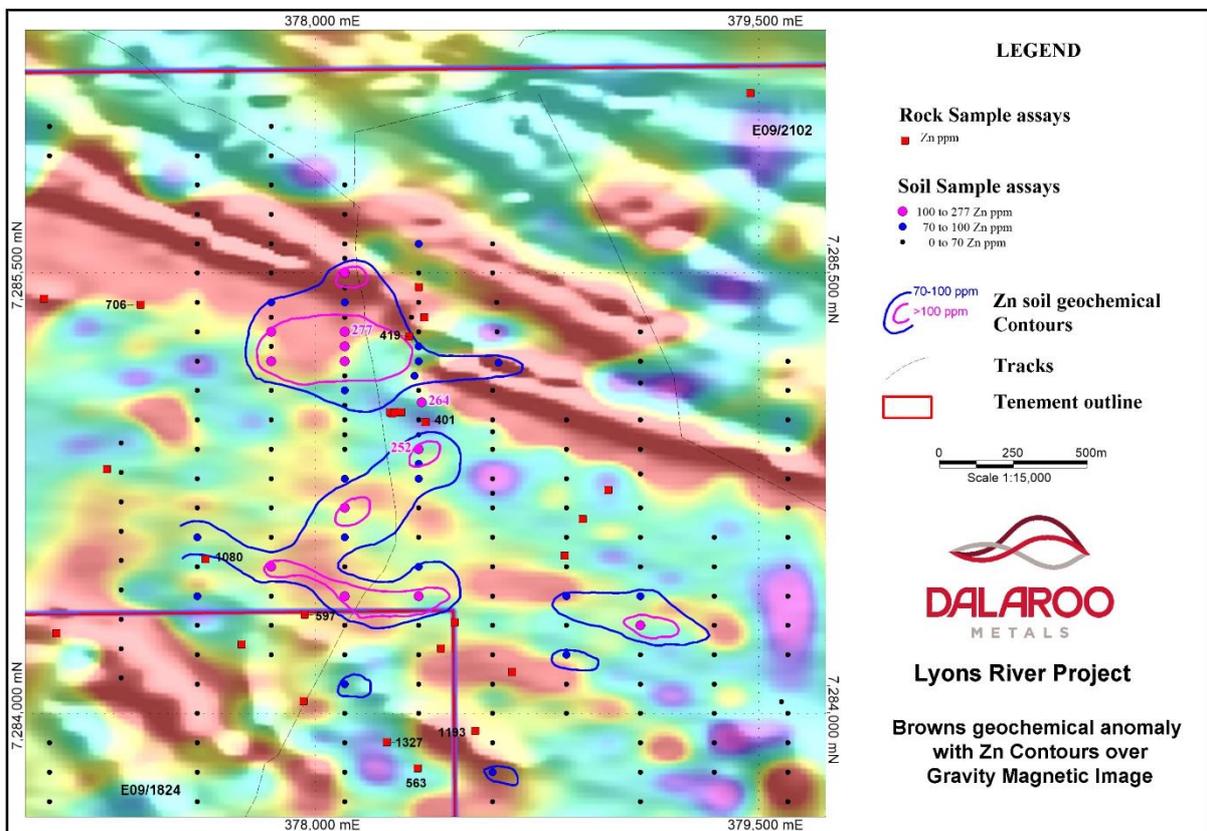


Figure 4: Browns Zn soil geochemical anomaly over combined detailed magnetics and gravity image

Next Steps at Lyons River

Base metal – BHT/SEDEX targets

Exploration activities planned for the Four Corners base metal prospect include surface IP and radial/downhole IP surveys once a specialist geophysical contractor becomes available to conduct these surveys in early the December Quarter 2022. Recent drill programs have intersected encouraging primary zinc (sphalerite) and lead (galena) sulphide mineralisation comprising 0.2m @ 3.05% Pb, 1.37% Zn and 3 g/t Ag from 233.2m and 5m @ 0.48% Pb, 0.26% Zn and 1.3 g/t Ag from 144m. These IP surveys are expected to provide vectors for the next phase of drill testing at Four Corners with a proposed RC drill program of 2,000m.

In addition, the NE and SE zones of the IP anomaly remain open to the east, where survey lines will be further extended to determine the eventual size of the currently defined 2.5km strike length anomaly (Figure 2).

Lithium potential targets

A program of field geological mapping and rock chip sampling of outcropping pegmatites on the high priority lithium targets, generated by multi-element data review and geophysical interpretation, is underway. Dalaroo will also undertake infill soil sampling programs at the lithium targets. Results from the field geological mapping coupled with rock chip sampling and subsequent infill soil geochemical sampling programs will guide the next phase of exploration including, RC drill testing to determine the extent of Li rich pegmatites.

Goodbody – gold target

At Goodbody a broad east-west structural corridor containing gold anomalism and rock chip values of up to 6.25 g/t Au occurs over a strike length of several kilometres with the potential to host gold deposits. The Goodbody gold anomaly remains open to the west.

Further exploration comprising infill soil geochemical sampling at Goodbody will continue into the September Quarter. Aircore drilling of this compelling gold target is also proposed, once site relevant access approvals are in place.

ENDS

For more Information:

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COMPETENT PERSON

The information in this report that relates to Exploration results is based on information compiled by Dalaroo Metals Ltd and reviewed by Mr Harjinder Kehal who is the Managing Director of the Company and is a Registered Practicing Geologist and Member of the AusIMM and AIG. Mr Kehal has sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and to the activities undertaken to qualify as a Competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kehal consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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

About the Lyons River Project

Lyons River is located approximately 1,100km north of Perth and approximately 220 km to the north-east of the coastal town of Carnarvon, Western Australia. The Lyons River lies within the Mutherbukin Zone of the Gascoyne Province, which is the deformed and high-grade metamorphic core zone of the early Proterozoic Capricorn Orogen (Figure 5).

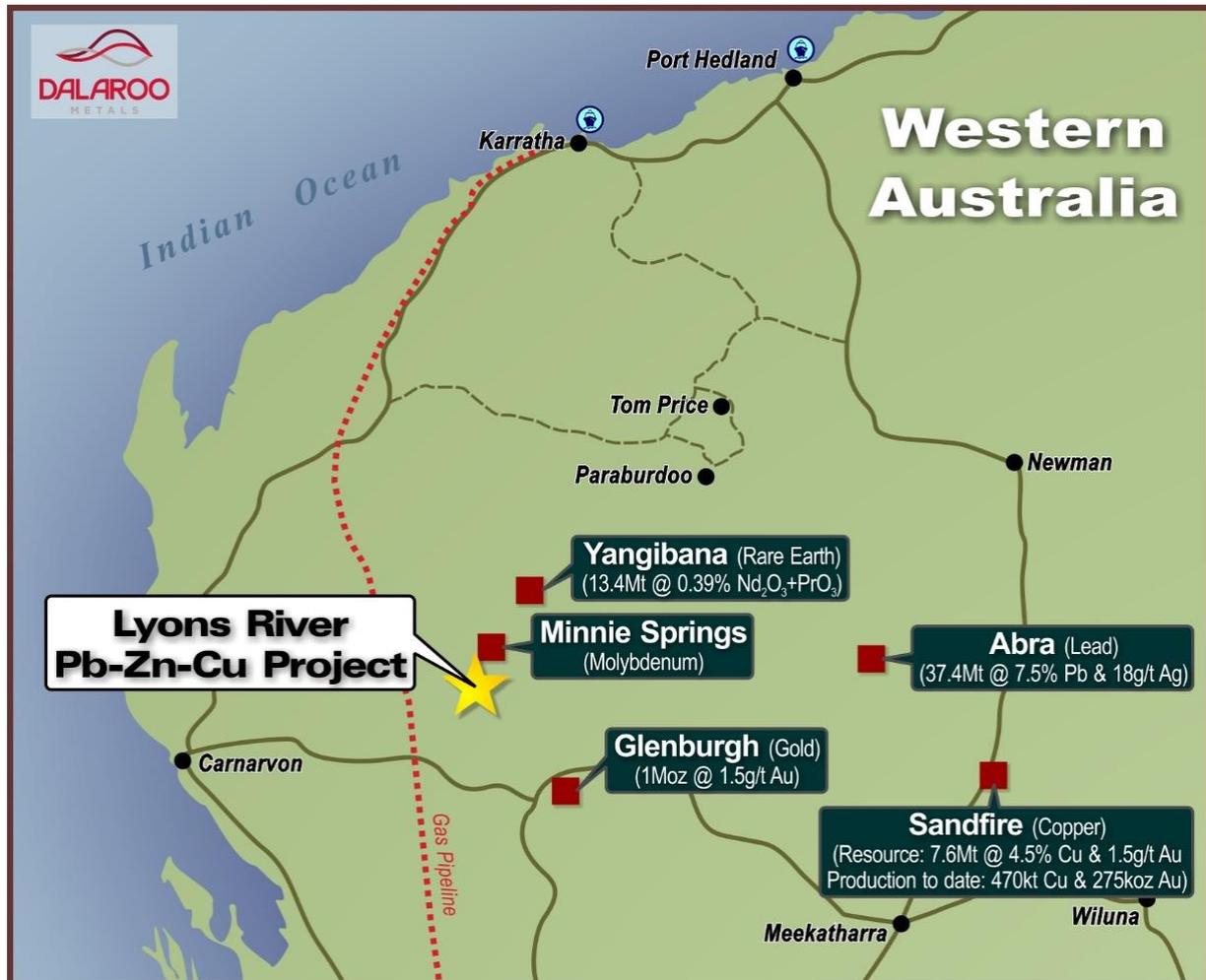


Figure 5: Lyons River Project location diagram

Majority of exploration to date at Lyons River has focused on the Four Corners prospect where an EIS funded diamond drill programme was completed in late 2020 by previous explorer Serena Minerals Limited intersecting an encouraging primary zinc (sphalerite) and lead (galena) sulphide mineralisation intercept in drill hole LRDD003 of **0.2m @ 3.05% Pb, 1.37% Zn and 3 g/t Ag** from 223.2m) along the strike extent of the NE zone of the 2.5km Induced Polarisation anomaly peaking at 33 mV/V (Figure 6).

Subsequently follow up RC holes drilled in December quarter 2021 by the Company were successful in intersecting zones of interbedded psammitic to pelitic plus mafic lithologies together with multiple zones of disseminated base metal sulphides associated with significant pyrite intervals. (ASX: DAL – see announcement from 16 March 2022). Multi-element assay results received, highlighted encouraging Pb, Zn and Ag intersections including:

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

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

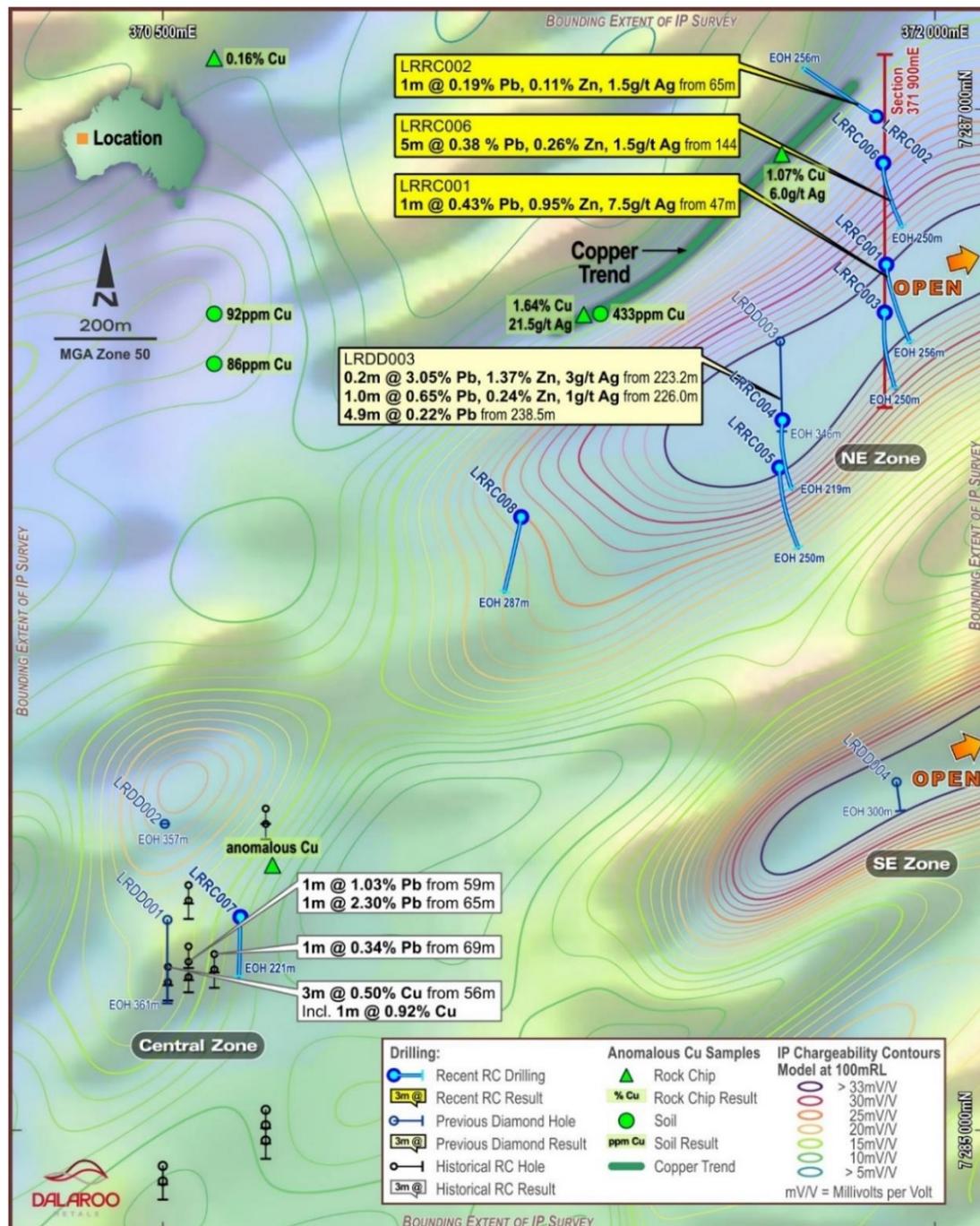


Figure 6: Four Corners prospect, drill hole location map with historical holes, DAL's recently completed RC drill holes and base metal results.

