ASX ANNOUNCEMENT

23 July 2026

Geophysical Survey Confirms Sediment Depths up to 50m, Expanding Blue Lagoon REE System

Ground Penetrating Radar identifies extensive sediment accumulations and multiple new source-to-sink valleys for future exploration

Highlights

- Ground Penetrating Radar (GPR) and Single Beam Echo Sounder (SBES) surveys completed at Dalaroo's 100%-owned Blue Lagoon Rare Earth Project in Greenland
- Twenty-one GPR survey lines completed across five priority shoreline target areas.
- Thick unconsolidated sediment packages identified with interpreted depths of up to approximately 50 metres.
- Extensive sediment accumulations confirmed within the primary rare earth-bearing shoreline environments.
- Multiple newly identified sediment-filled valleys interpreted as additional source-to-sink pathways, significantly expanding future exploration opportunities.
- Ten bathymetric survey lines completed across the Blue Lagoon, delivering the first detailed model of the lagoon floor.
- Survey provides the first three-dimensional understanding of the sedimentary basin and will guide future auger drilling, bulk sampling and resource evaluation.
- Results further strengthen Dalaroo's sediment-hosted rare earth exploration model and support expansion of exploration across the broader Blue Lagoon district.
- Numerous sediment-filled eastern valleys identified extending beyond the current exploration footprint, highlighting significant district-scale expansion potential.

Independent Geophysical Survey Advances Blue Lagoon

Dalaroo Metals Ltd (**ASX: DAL, OTCQB: DALMF**) is pleased to announce the successful completion of independent Ground Penetrating Radar (GPR) and Single Beam Echo Sounder (SBES) surveys across its 100%-owned Blue Lagoon Rare Earth Project in southern Greenland.

The surveys represent a major step in defining the scale, geometry and continuity of the Blue Lagoon sedimentary basin, providing the first comprehensive three-dimensional understanding of the rare earth-bearing system.

The survey results confirm that significant sediment accumulations occur throughout much of the Blue Lagoon shoreline and provide the first detailed subsurface model of the basin.

For further information about Dalaroo's Blue Lagoon Project, please **Click Here.**

Extensive Sediment Basin Confirmed

Interpretation of the Ground Penetrating Radar (GPR) survey has confirmed the presence of extensive unconsolidated sediment accumulations surrounding Blue Lagoon, significantly advancing Dalaroo's understanding of the project's sedimentary architecture and reinforcing the Company's source-to-sink exploration model for rare earth mineralisation.

The survey investigated five priority target areas where previous surface sampling identified widespread rare earth element (REE), zirconium and hafnium mineralisation. Results demonstrate that the thickest sediment packages occur within Sites A, B and C, where sediment thickness commonly ranges between 30 and 50 metres and, in several locations, extends beyond the effective penetration depth of the GPR system. These deeper zones remain open and may contain even greater sediment accumulations than currently interpreted.

The interpreted sedimentary sequences demonstrate that Blue Lagoon hosts extensive sedimentary depocenters capable of preserving large volumes of transported heavy mineral-rich sediments derived from the surrounding alkaline intrusive rocks. The geometry and distribution of these sediment packages are consistent with long-lived depositional environments capable of concentrating resistant heavy minerals, including REE-bearing minerals, zircon and hafnium-bearing phases.

Site A

- Bedrock interpreted between approximately 2 and 50 metres below surface.
- Multiple areas approach the effective penetration limit of the GPR system, indicating sediment thickness may locally exceed 50 metres.
- Represents one of the most significant sediment accumulations identified within the survey and remains open at depth.

Site B

- Extensive sediment package interpreted between approximately 2 and 50 metres.
- Displays similar geological characteristics to Site A, with several deeper zones extending beyond the interpreted limits of the GPR data.
- The continuity of the sediment package suggests a favourable environment for the accumulation of heavy mineral-rich sediments.

Site C

- Sediment thickness progressively increases towards the shoreline and adjacent peninsula.
- Bedrock interpreted between approximately 2 and 50 metres below surface.
- The broad, continuous sediment package highlights another highly prospective area for follow-up exploration.

Site D

- Moderate sediment accumulation.
- Bedrock generally interpreted between 1 and 30 metres below surface.
- Represents a secondary target with potential for localised heavy mineral concentration.

Site E

- Relatively thin sediment cover.
- Maximum interpreted sediment thickness of approximately 10 metres.
- Provides an important comparison with the thicker sedimentary systems identified elsewhere around the lagoon.

Overall, the GPR survey confirms the presence of an extensive sedimentary basin surrounding Blue Lagoon and provides the first comprehensive picture of the subsurface architecture of the lagoon system. The identification of widespread sediment packages exceeding 30 metres in thickness, together with several areas potentially extending beyond 50 metres, represents a significant advancement in the Company's understanding of the project. When integrated with geological mapping, surface geochemistry, sediment sampling and forthcoming assay results, these datasets are expected to refine high-priority drill targets and further strengthen Dalaroo's source-to-sink exploration model for rare earth mineralisation.

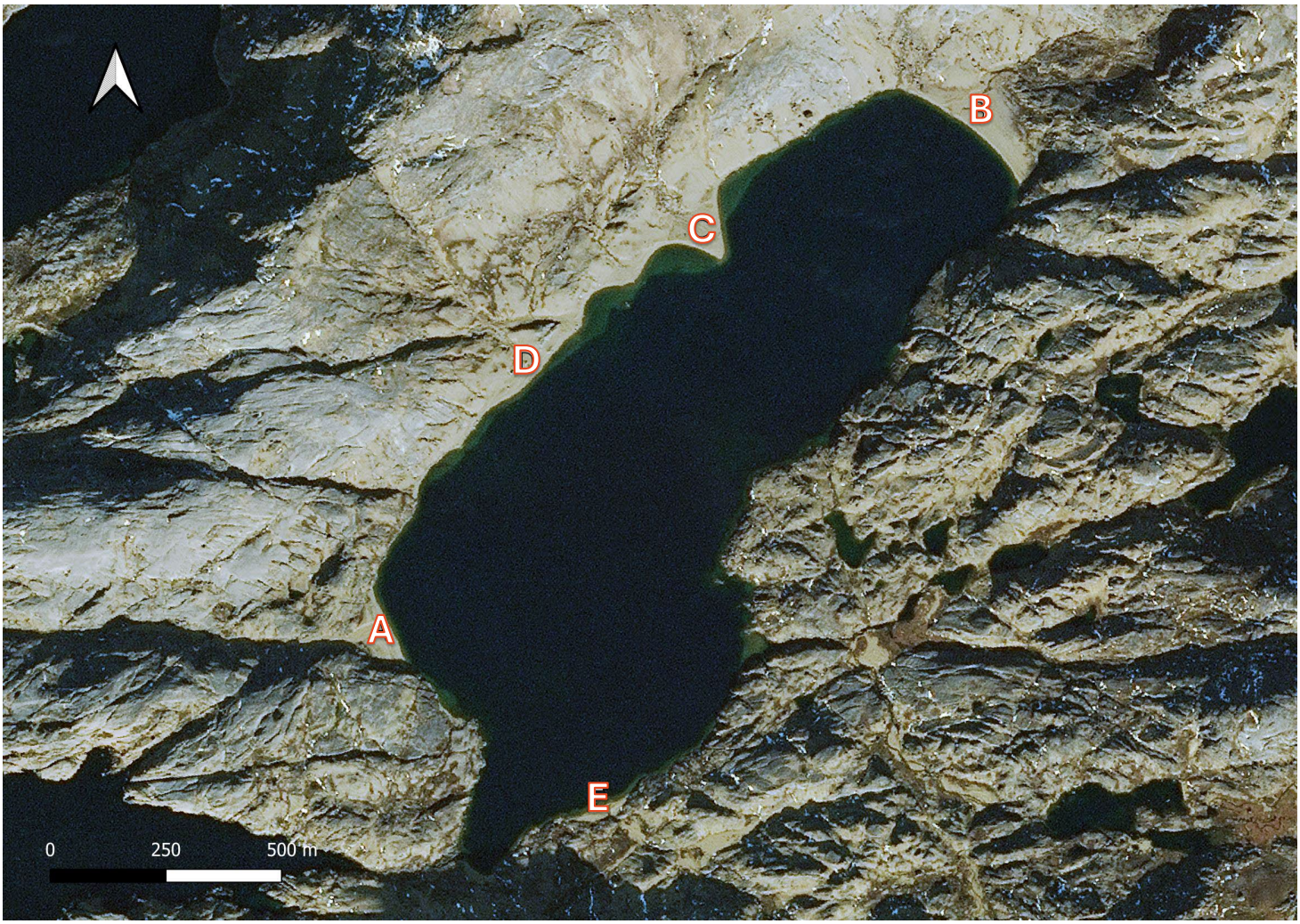

Figure 1. Location map of Blue Lagoon showing GPR survey areas.

Source-to-Sink Model Continues to Strengthen

One of the most significant outcomes of the survey was the recognition of numerous sediment-filled valleys extending beyond the currently defined exploration areas.

These valleys represent additional **source-to-sink transport pathways** capable of transporting, concentrating and preserving REE-bearing heavy minerals derived from the surrounding alkaline granites.

The GPR survey demonstrates that the Blue Lagoon sedimentary system is considerably larger than originally recognised and extends well beyond the areas currently targeted by exploration.

These newly recognised valleys provide multiple high-priority exploration opportunities and will form an important component of Dalaroo's expanded exploration strategy during the 2027 field season.

The Company believes these valleys have the potential to host additional heavy mineral accumulations similar to those already identified within the main Blue Lagoon basin, significantly increasing the district-scale potential of the project.

Figure 2. Eastern sediment-filled valley interpreted as a source-to-sink transport pathway into the Blue Lagoon basin.

Importance of Thick Sediment Packages

Unlike conventional hard-rock rare earth projects, Blue Lagoon is being explored as a sediment-hosted heavy mineral system. In these systems, the thickness and continuity of mineralised sediments are fundamental controls on the potential scale of the project. The GPR survey has now confirmed that extensive sedimentary packages occur throughout the Blue Lagoon basin and has identified additional sediment-filled valleys that significantly expand the Company's exploration search space.

In parallel with defining the sedimentary basin, Dalaroo's geological team continues to map and sample the surrounding alkaline intrusive rocks to better understand the source of the rare earth-bearing heavy mineral assemblages and refine the Company's source-to-sink exploration model.

Bathymetric Survey Completes Basin Model

The SBES survey successfully mapped the entire Blue Lagoon using ten survey traverses.

The resulting bathymetric model provides the first detailed understanding of lagoon depth and basin morphology and will assist in interpreting sediment transport pathways and depositional environments responsible for concentrating heavy mineral sands.

Figure 3. Team conducting survey at Blue Lagoon.

When combined with geological mapping, surface geochemistry and sediment thickness data, the survey provides an integrated three-dimensional framework for ongoing exploration.

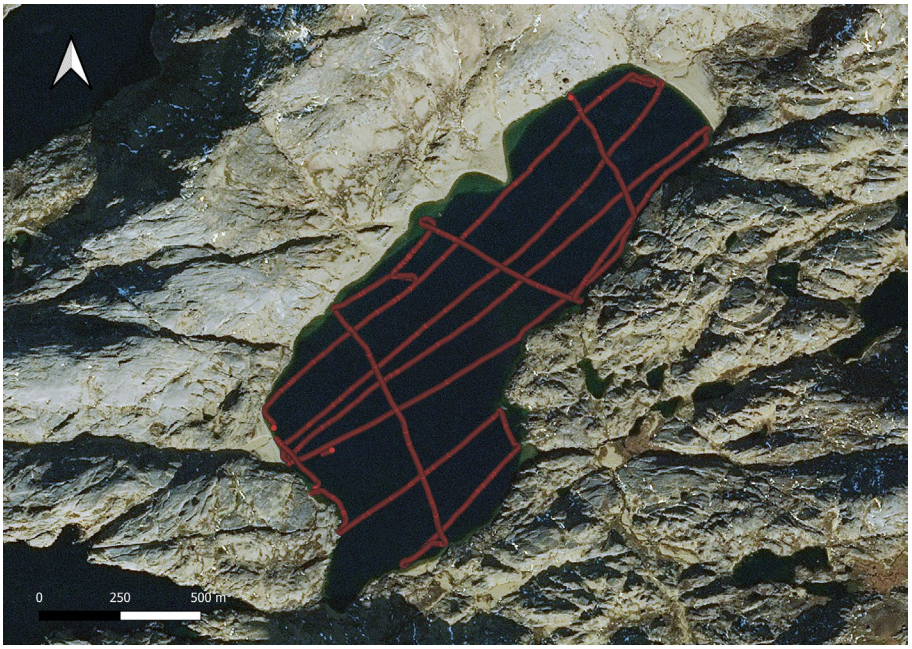

Figure 4. Lagoon Survey Lines.

Major Advancement of Blue Lagoon Exploration Model

Since acquiring the project, Dalaroo has progressively developed a unique exploration model based on the erosion of REE-enriched alkaline granites into downstream sedimentary environments.

Exploration completed to date has demonstrated:

- Widespread rare earth mineralisation within shoreline sediments.
- Significant enrichment in zirconium and hafnium.
- Multiple REE-bearing heavy mineral assemblages.
- Extensive alkaline granite source rocks surrounding Blue Lagoon.
- Large sedimentary traps capable of concentrating heavy minerals.

The GPR survey confirms that the sedimentary packages hosting the previously identified surface mineralisation extend to significant depths and that the broader source-to-sink system continues well beyond the current exploration footprint.

This substantially enhances Dalaroo's understanding of the overall scale of the Blue Lagoon system and provides an important platform for future exploration and resource evaluation.

Geological Setting

The Project lies within the Paleoproterozoic rift province of South Greenland, which comprises sedimentary sequences intruded by a variety of alkaline volcanic and plutonic igneous rocks. This rift setting was subsequently intruded by Mesoproterozoic Gardar-age alkaline intrusive complexes, which are recognised globally for their association with critical mineral systems.

Blue Lagoon is located within the Helene alkaline granite, forming the westernmost exposure of the Nunarsuit Complex. The Nunarsuit Complex is the largest, and among the youngest, of the Gardar-age intrusions in South Greenland and is comprised predominantly of alkaline syenitic and granitic units. The Project area is bounded to the east by extensive alkalic syenite, further reinforcing the prospectivity of the geological setting for zirconium, niobium and rare earth element enrichment.

The combination of fertile alkaline intrusive rocks, extensive drainage catchments and an enclosed lagoon environment provides a compelling geological setting for the concentration of heavy mineral assemblages containing rare earth elements, zirconium and hafnium.

Importantly, the newly recognised sediment-filled valleys drain extensive REE-enriched alkaline granite catchments, providing additional targets where heavy mineral accumulation may have occurred over geological time.

The integration of geological mapping, geochemistry, GPR and bathymetric data provides a robust exploration framework for systematically evaluating the broader Blue Lagoon district.

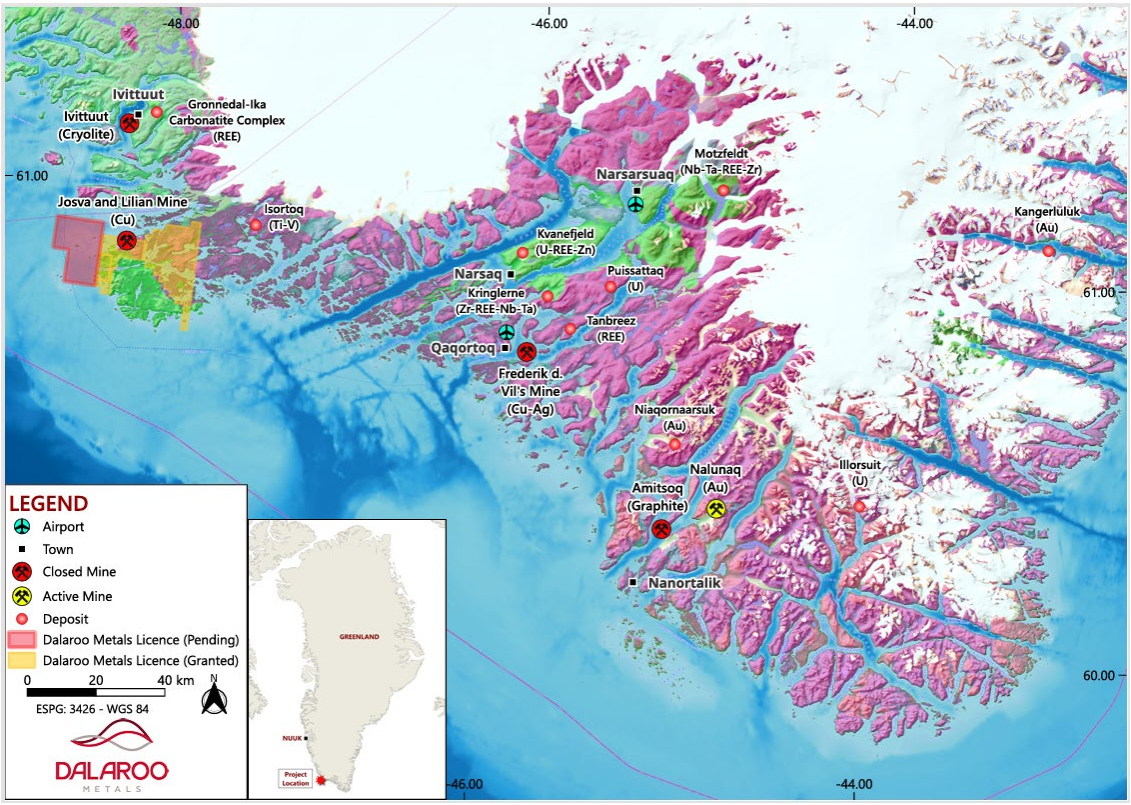

Figure 5. Location of the Blue Lagoon project in South-West Greenland.

Upcoming Catalysts

Following completion of the GPR and bathymetric surveys, Dalaroo will:

- Integrate the GPR model with geological mapping and assay results.
- Complete mineralogical and metallurgical studies.
- Develop a three-dimensional geological model.
- Evaluate bulk sampling opportunities.
- Assess the newly identified source-to-sink valleys during the 2027 exploration season.
- Continue evaluating the broader Blue Lagoon district for additional sediment-hosted rare earth targets.

Conclusion

The successful completion of the GPR and SBES surveys represents a major advancement in Dalaroo's understanding of the Blue Lagoon Rare Earth Project. The confirmation of extensive sediment accumulations, together with the recognition of multiple new source-to-sink valleys beyond the current exploration footprint, significantly enhances the project's scale potential and provides a strong technical foundation for the next phase of exploration.

The GPR survey provides Dalaroo with a significantly improved understanding of the geometry, thickness and continuity of the Blue Lagoon sedimentary basin. Combined with ongoing geological mapping and geochemical sampling, the survey results will allow the Company to prioritise future auger drilling, bulk sampling and metallurgical studies while expanding exploration into the newly recognised sediment-filled valleys surrounding the main lagoon.

Management Commentary

Dalaroo Metals CEO, John Morgan, commented:

"The completion of this independent geophysical survey marks another significant milestone in the systematic advancement of the Blue Lagoon Rare Earth Project.

Our 2025 exploration program confirmed widespread rare earth mineralisation within shoreline sediments. This latest work now demonstrates that those sedimentary environments are substantially thicker than originally understood, with sediment accumulations extending to approximately 50 metres in several priority areas.

Importantly, the survey has done much more than simply define sediment thickness. It has identified numerous previously unrecognised sediment-filled valleys extending beyond the current exploration footprint. These valleys represent additional source-to-sink pathways draining the surrounding REE-enriched alkaline granites and provide exciting new exploration opportunities well beyond the main Blue Lagoon basin.

Together with our geological mapping, surface geochemistry and ongoing mineralogical studies, the GPR results significantly strengthen our geological model and reinforce our view that Blue Lagoon represents a district-scale sediment-hosted critical minerals system.

With the geological framework now becoming increasingly well defined, our focus will turn to systematic testing of these newly identified sedimentary environments through auger drilling, bulk sampling and continued evaluation of the broader Blue Lagoon district.

Every phase of exploration continues to strengthen our geological understanding of Blue Lagoon and increase our confidence in the scale of this emerging critical minerals system. The systematic application of geochemistry, geological mapping and geophysics is providing a strong technical foundation for the next stage of exploration."

Exploration Manager, Trystan Hughes, commented:

"The GPR survey has significantly advanced our understanding of the Blue Lagoon sedimentary system and has provided valuable information that simply could not be obtained through surface mapping alone.

From a geological perspective, one of the most encouraging outcomes is the confirmation that several shoreline environments contain thick sediment accumulations extending to approximately 50 metres. This provides important evidence that the basin has the capacity to preserve substantial volumes of sediment capable of hosting heavy mineral concentrations.

Equally exciting has been the recognition of numerous sediment-filled valleys extending from the surrounding alkaline granite terrain into the Blue Lagoon basin. During the field season, geological mapping identified many of these eastern valleys as important drainage systems transporting weathered material from the fertile source granites.

The GPR survey has now demonstrated that these valleys contain significant sediment accumulations and reinforces our source-to-sink exploration model. Rather than representing isolated depositional environments, these valleys appear to form part of a much larger interconnected sedimentary system that remains largely unexplored.

Integrating the GPR results with geological mapping, geochemistry, bathymetry and ongoing mineralogical studies has provided a robust three-dimensional framework that will allow us to efficiently prioritise future auger drilling, bulk sampling and exploration across the broader Blue Lagoon district."

Reference:

1. Refer to ASX Announcement (DAL), “Sampling Reveals District Scale Critical Minerals – Greenland”, 16 January 2026.

This announcement has been authorised for release to the ASX by the Company's Board of Directors.

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For more Information:

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About Dalaroo Metals

Dalaroo Metals Limited is an ASX-listed exploration company focused on the discovery and development of high-quality gold and critical minerals projects across Australia and international jurisdictions.

The Company's portfolio includes the **Blue Lagoon Project** in south-west **Greenland**, prospective for rare earth elements (REE), zirconium and niobium, a rapidly growing portfolio of gold exploration assets in **Côte d'Ivoire**, including the **Bondoukou** and **Bongouanou Gold Projects** within the highly endowed **Birimian Greenstone Belt** of West Africa, and the **Lyons River** and **Watheroo Projects** in Western Australia.

Dalaroo's strategy is to systematically advance its projects through modern exploration techniques, resource definition and strategic partnerships, with a strong focus on value creation for shareholders. The Company is committed to responsible exploration, strong corporate governance and building long-term stakeholder relationships in the regions in which it operates.

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Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by John Morgan, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the CEO of Dalaroo Metals Ltd. Mr Morgan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (JORC Code). Mr Morgan consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This announcement contains forward-looking statements which are based on current expectations, assumptions, estimates and projections. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied. These risks include, but are not limited to, exploration success, geological interpretation, commodity price fluctuations, regulatory approvals, permitting timelines, operational risks and market conditions.

Any statements regarding potential mineralisation, exploration targets, grades, scale or development concepts are conceptual in nature and based on early-stage surface sampling only. These statements do not constitute, and should not be construed as, a Mineral Resource or Ore Reserve estimate as defined under the JORC Code. References to peer projects, market pricing, strategic significance or potential future development pathways are provided for contextual purposes only and should not be interpreted as a forecast of future performance or valuation. Dalaroo Metals Limited undertakes no obligation to update or revise any forward-looking statements, except as required by law.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the referenced market announcements and that all material assumptions and technical parameters underpinning those announcements continue to apply and have not materially changed.