

08 SEPTEMBER 2026

GEOCHEMICAL SURVEY UNDERWAY AHEAD OF MAIDEN DIAMOND DRILLING AT BATTEN PROJECT

HIGHLIGHTS

- Soil sampling commences at Hot Spring, Daly's high-priority zinc target within the 100%-owned Batten Project
- Hot Spring sits on the same structural trend as the world-class HYC and Teena zinc deposits, located 20–30 km to the east
- These large deposits leave a detectable surface signature — this program tests Hot Spring for the same signal
- Results will directly sharpen drill targeting within the interpreted sub-basin
- Regional target review also underway, with specialist consultants engaged to widen the Company's exploration pipeline
- Environmental approvals for drilling at Hot Spring are already secured
- Program advances at a time of strong zinc market fundamentals, with LME zinc prices trading near four-year highs on tightening global supply

Daly Resources Limited (ASX: DLY, "Daly" or the "Company") is pleased to announce that a systematic soil sampling program has commenced at the high-priority Hot Spring target, within its 100%-owned Batten Project in the Northern Territory, with the results set to sharpen and refine priority drill targets ahead of future drill testing.

Hot Spring sits within the same major structural corridor that hosts the world-class HYC and Teena zinc deposits (see Figure 1) - among the largest and highest-grade zinc systems in the world. The prospect shares key geological similarities with these deposits, including the presence of the same host rock formation that contains the mineralisation at both HYC and Teena.

The soil program has been designed using a proven method - one that has previously helped identify buried zinc mineralisation elsewhere in the region. By sampling across the target area, the Company aims to detect a surface signature that could point to hidden mineralisation below, helping guide exactly where future drilling should be focused.

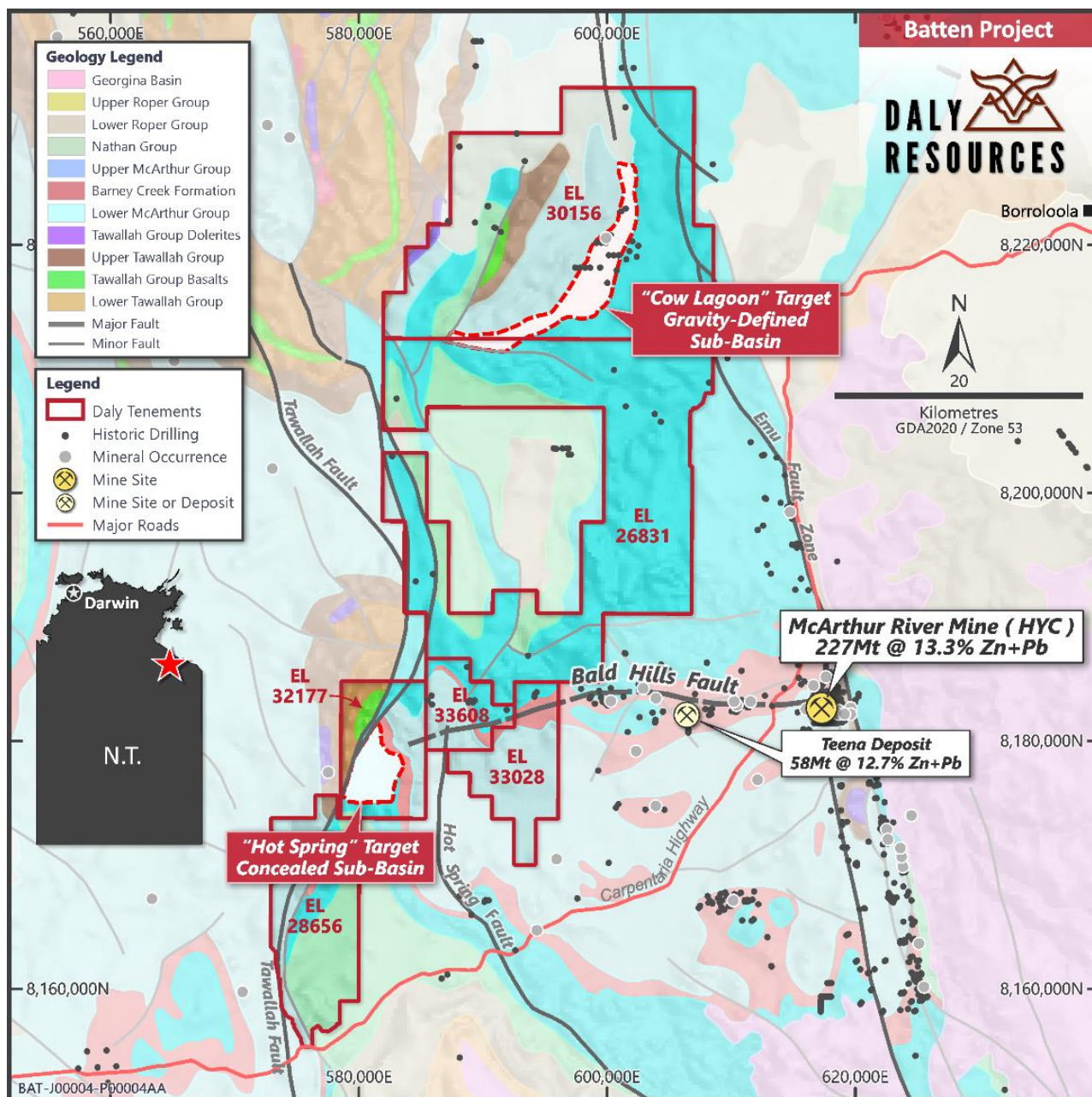


Figure 1: Southern Batten Project setting showing the Hot Spring target on the western continuation of the Bald Hills Fault deposit trend and its position relative to the McArthur River Mine (HYC) and Teena deposit.

Executive Chairman Mike Edwards commented:

"What makes this soil program compelling is the direct analogy with Teena, where historical work demonstrated that a deeply concealed sub-basin hosted zinc system can generate a coherent multi-element geochemical footprint at surface, interpreted to reflect fault-related metal leakage through the long-lived Bald Hills Fault system.

"At Hot Spring, we are testing the interpreted western continuation of that same structural corridor, which controls the position of the world class HYC and Teena deposits. A coherent geochemical response along this trend would materially strengthen our growth-fault and concealed sub-basin model and provide a much stronger

basis for targeting drill hole positions- work that comes at an opportune time, with zinc prices trading near multi-year highs on the back of tightening global supply”

"Receiving environmental approval for drilling at Hot Spring is an important step forward for the project, and while we are still progressing the remaining approvals required, it means we are well placed to move efficiently toward drill testing once our target definition work is complete."

REGIONAL ZINC ENDOWMENT AND EXPLORATION MODEL

The McArthur River Mine, also known as HYC, is located approximately 20-30 km east of Hot Spring and is one of the world's largest sediment-hosted zinc-lead-silver systems. Its historic endowment is reported as 227Mt grading 9.2% zinc and 4.1% lead, equivalent to 13.3% Zn+Pb, together with 41g/t silver. HYC is hosted near the base of the Barney Creek Formation and has operated since 1995.

Teena, approximately 8 km west of HYC, has a reported JORC 2012 Inferred Mineral Resource of 58Mt grading 11.1% zinc and 1.6% lead, equivalent to 12.7% Zn+Pb, at a 6% Zn+Pb cut-off. The reported resource contains approximately 7.4Mt of zinc and lead metal. Teena is hosted within the Barney Creek Formation in a fault-bounded sub-basin developed along the Bald Hills Fault zone. The deposit demonstrates the importance of growth faults in creating accommodation space, preserving thicker prospective stratigraphy and providing pathways for mineralising fluids.

Together, HYC and Teena demonstrate that growth fault bounded sub-basins hosting Barney Creek Formation within the Batten Fault Zone can focus and preserve giant, high-grade zinc-lead +/-silver systems. Daly is applying this proven geological architecture to the underexplored western continuation of the same deposit trend.

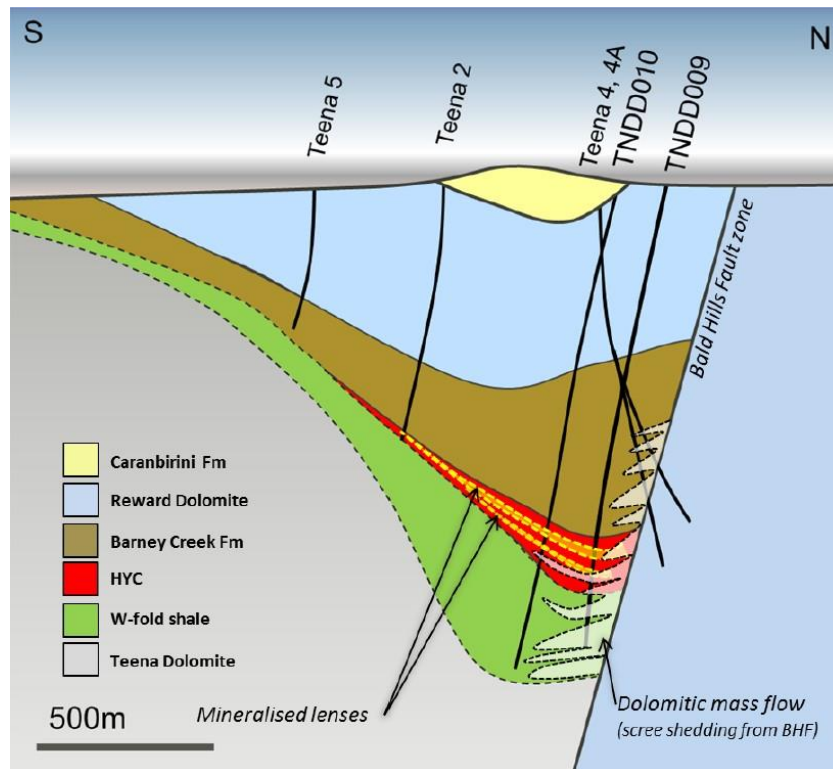


Figure 2: Schematic cross-section through the Teena deposit showing mineralisation within the Barney Creek Formation in a fault-bounded sub-basin developed along the Bald Hills Fault zone. This is a regional analogue and is not a cross-section through the Batten target.

BATTEN PROJECT

Daly's 100%-owned Batten Project covers approximately 1,124 km² of granted exploration tenure in the southern McArthur Basin, less than 90 km southwest of Borroloola.

The project spans key parts of the Batten Fault Zone, a regionally significant structural corridor that controlled basin development, stratigraphic thickness and the formation of fault-bounded sub-basins. These structures are fundamental to the development and preservation of the major sediment-hosted zinc-lead systems of the McArthur Basin such as the world class McArthur River (HYC) Mine and the Teena deposit.

The Hot Spring target is located within the underexplored western segment of the Batten Fault Zone. It is bounded to the west by the regional-scale Tawallah Fault, while outcropping geology along with an anomaly identified through airborne electromagnetic data indicates further structural complexity east of the contact (Figure 3). While the EM anomaly is not considered a direct drilling target, it highlights increased conductivity within the Lynott Formation, which overlies the Barney Creek Formation. The spatial localisation of this conductivity is interpreted to reflect thickening of the stratigraphic package due to the presence of conductive units within it, consistent with development of a sub-basin controlled by growth faults.

Daly's geological model is based on the premise that movement on a major growth fault created accommodation space within the adjoining sub-basin, allowing preservation of a thicker package of prospective

stratigraphy, including the prospective Barney Creek Formation which is mapped at the target – see Figure 3. This architecture is considered favourable for the development and preservation of McArthur River-style Zn-Pb mineralisation.

SOIL GEOCHEMISTRY PROGRAM

The soil program provides systematic coverage across the full Hot Spring target corridor. Samples are being collected at 100m centres along lines 400m apart across the projected growth fault zone, the adjoining concealed sub-basin and the existing airborne electromagnetic responses.

Multi-element results will be assessed for coherent metal and pathfinder anomalies. This exploration approach is supported by historical work at the nearby Teena deposit, where systematic soil sampling¹ identified a coherent multi-element (lead, zinc, arsenic, cadmium and thallium) anomaly associated with the Teena sub-basin and the Bald Hills Fault despite the mineralisation occurring at substantial depth. The long-lived Bald Hills Fault was interpreted to have continued leaking zinc into the basin following the principal mineralising event, producing a detectable surface geochemical response.

The objective is to determine whether fault-related leakage has produced a systematic surface geochemical response at the Hot Spring interpreted sub-basin which can help identify the faults that may control the position of an HYC-style mineral system.

¹ Teck Australia Pty Ltd, Group Report GR248/12 for the period 24 March 2012 to 23 March 2013, dated 22 April 2013 (Teena surface geochemistry); Northern Territory Geological Survey, NTGS Record 2005-001 (HYC); and Rox Resources Limited ASX announcement dated 1 June 2016 (Teena Mineral Resource). These third-party deposits and historical exploration results are outside Daly's tenure and are presented solely as regional geological and exploration analogues. Daly has not independently verified the historical estimates or surface-geochemistry results.

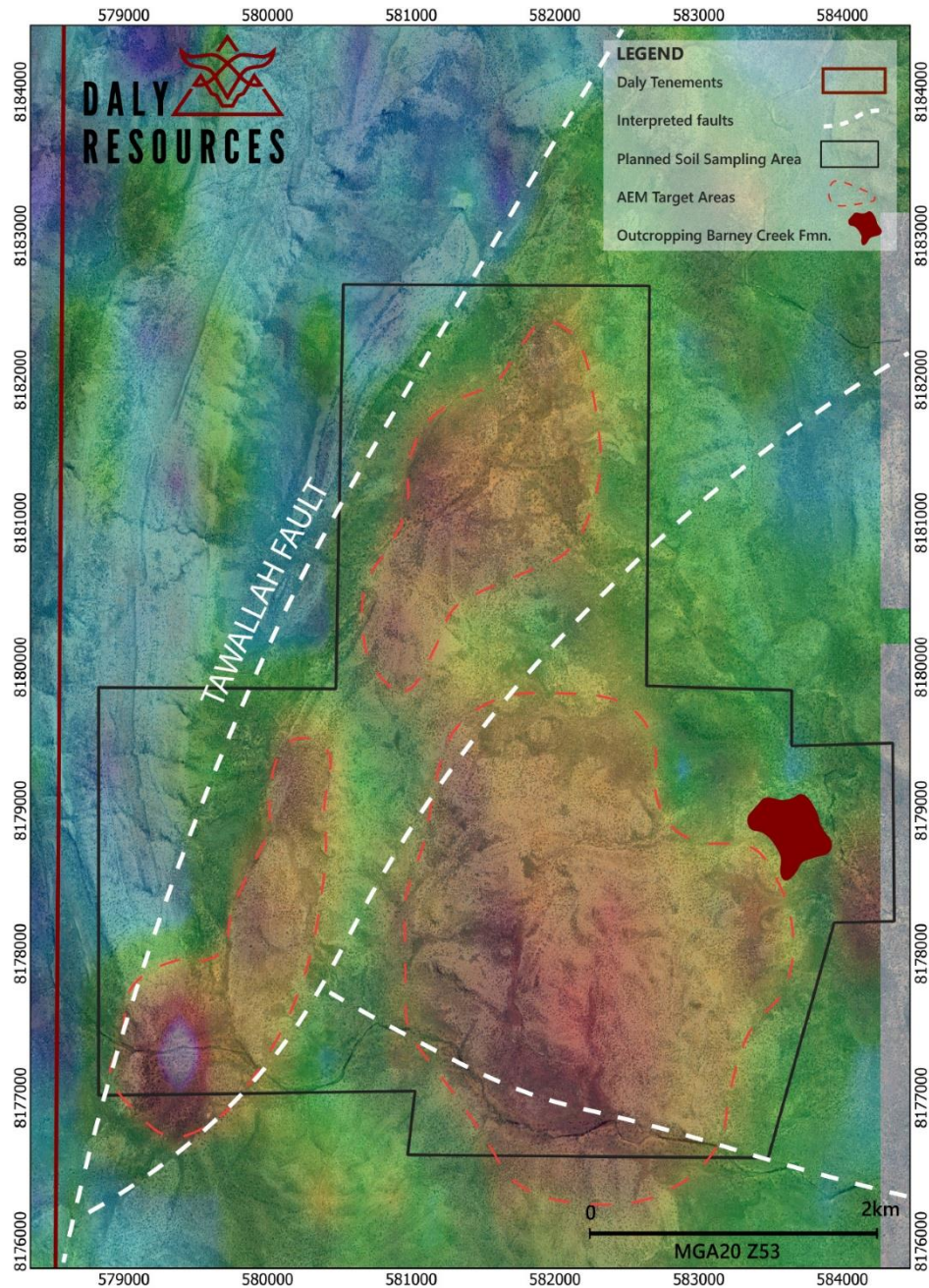


Figure 3: The Hot Spring target showing AEM targets interpreted to be indicative of thickened sediments bound by faults (also shown) and therefore potential HYC style sub-basin targets. The soil grid is also shown spanning the interpreted fault corridor and the adjacent target basin.

A coherent multi-element geochemical response along the interpreted trend would provide strong support for the position of the growth fault and adjoining sub-basin margin, helping to refine the geological model and guide drill-hole positioning to test the prospective sub-basin.

With environmental approval for drilling at Hot Spring already in place, Daly is well positioned to rapidly drill-test any high-priority targets generated by the soil geochemistry programme.

REGIONAL REVIEW

A regional prospect review is currently underway alongside ongoing target refinement at Hot Spring. Specialist exploration consultants have been engaged to provide additional technical expertise and assist with the integration and interpretation of the available geological, geochemical and geophysical datasets. The review is focused on refining existing targets, identifying additional areas of prospectivity and developing a prioritised pipeline of exploration opportunities across the broader project area. This work will help guide the Company's ongoing exploration activities and ensure future programmes are focused on the highest-priority targets.

AUTHORISATION

This announcement has been authorised for release by the Board of Daly Resources Limited.

FOR FURTHER INFORMATION

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ABOUT DALY RESOURCES LIMITED

Daly Resources Limited (ASX: DLY) holds a portfolio of exploration projects covering more than 6,500 km² of granted tenure across the Northern Territory. The Company is exploring for fluorite, copper and zinc across three project areas: Huckitta, Broughton and Batten.

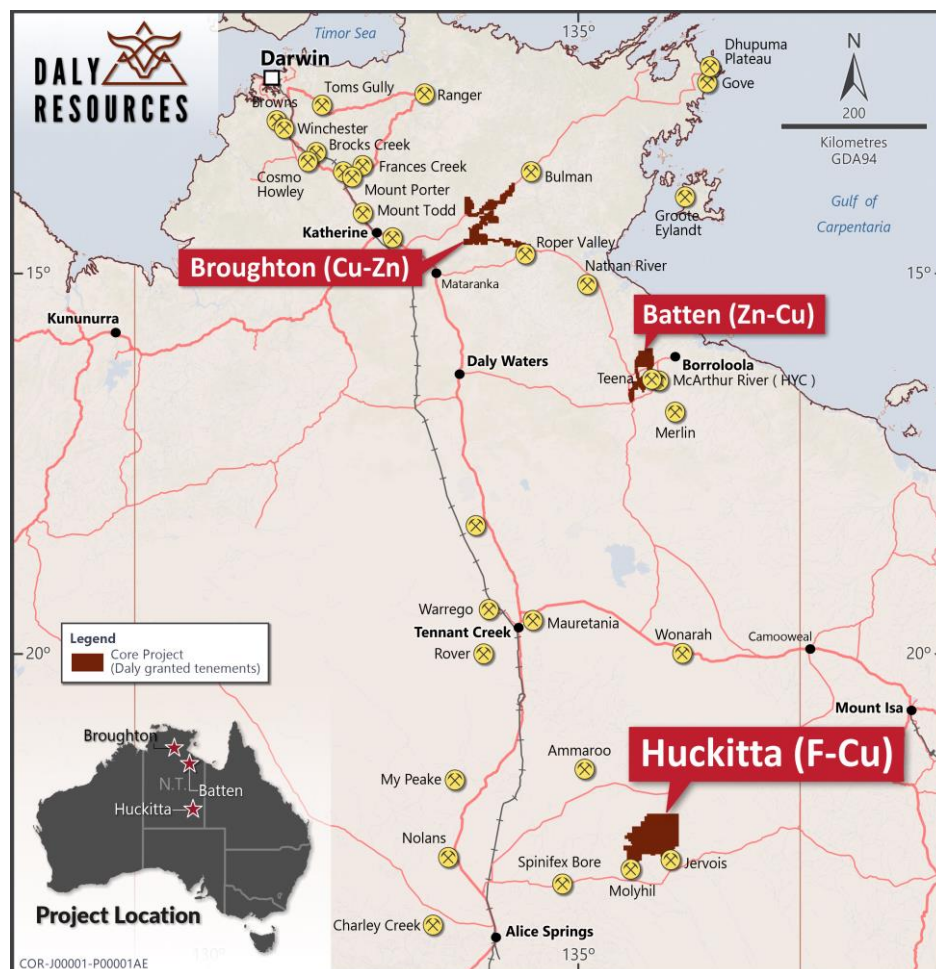
The Huckitta Project covers approximately 3,812 km² and is prospective for both fluorite and sediment-hosted copper mineralisation. Fluorite mineralisation at Huckitta is associated with the Huckitta/Sandover fluorite corridor, while the project also includes copper targets associated with prospective Georgina Basin stratigraphy.

The Broughton Project covers approximately 1,581 km² within the McArthur Basin and is targeting sediment-hosted copper-zinc mineralisation across a large, underexplored project area with prospective stratigraphy and widespread base metal anomalism.

The Batten Project covers approximately 1,124 km² and also lies within the McArthur Basin. Batten is prospective for

SEDEX-style zinc-copper mineralisation associated with the Batten Fault Zone and is located near the major McArthur River (HYC) and Teena zinc deposits.

Collectively, Daly's portfolio provides exposure to district-scale discovery potential across multiple commodities and deposit styles within some of Australia's most prospective yet underexplored mineral provinces.



Map showing locations of Daly Resources projects

Competent Person Statement

The information in this announcement relating to Exploration Results is based on information compiled by Mr Daniel Greene, Exploration Manager and employee of Daly Resources Limited. Mr Greene is a Member of the Australasian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Greene consents to the inclusion in this report of the matters based on his information, in the form and context in which they appear.

Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.