Strong Zirconium–Hafnium Correlation Confirms Heavy Mineral Concentration at Blue Lagoon

Highlights:

- Strong positive correlation identified between zirconium (Zr) and hafnium (Hf) across Blue Lagoon geochemical dataset[1]
- Relationship confirms zircon-dominated heavy mineral system
- Provides clear evidence of sedimentary and hydraulic upgrading within lagoonal and shoreline environments
- Supports interpretation of heavy mineral sand–style mineralisation
- Demonstrates potential for low-cost gravity separation processing
- Zr confirmed as effective pathfinder element for rapid field targeting using portable XRF
- Results materially de-risk both exploration and development pathways for the Project

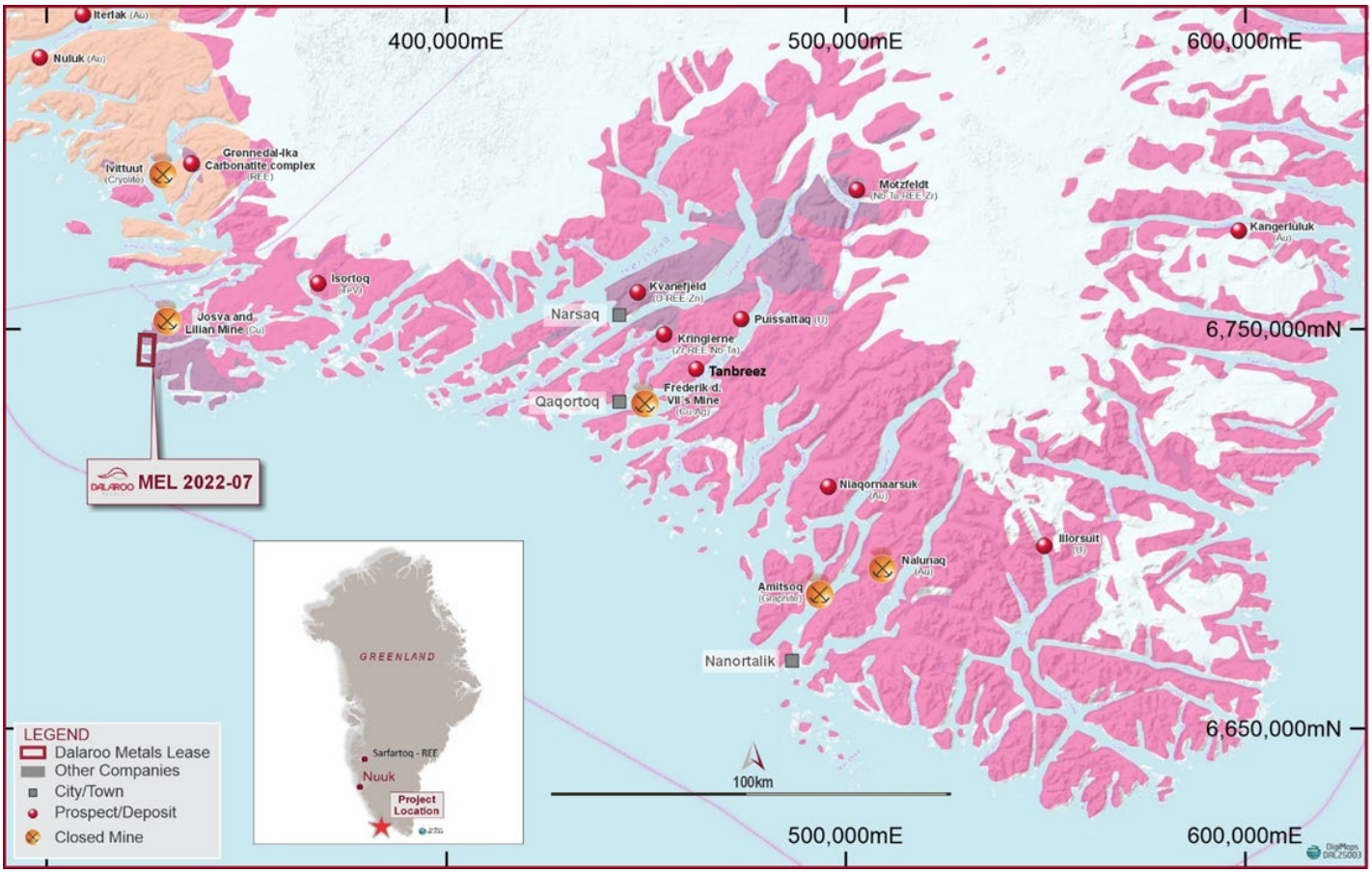


Figure 1. Location of the Blue Lagoon Project, South-West Greenland.

Overview

Dalaroo Metals Ltd ("Dalaroo", "**DAL**:ASX" or "the Company") is pleased to report that detailed geochemical evaluation of its Blue Lagoon Critical Minerals Project in southern Greenland has identified a strong and consistent correlation between zirconium (**Zr**) and hafnium (**Hf**) across surface and shallow auger samples.

This relationship is diagnostic of zircon-hosted mineralisation and provides important mineralogical confirmation that heavy minerals are being mechanically concentrated within lagoonal and shoreline sediments.

The results support the Company's exploration model that natural sedimentary processes have upgraded dense and resistant critical mineral phases, including zircon and rare earth element ("REE") bearing minerals, into near-surface accumulations that may be amenable to simple, low-cost beneficiation.

About the Blue Lagoon Project

The Blue Lagoon Project is a 100%-owned critical minerals exploration asset located in south-west Greenland, held under exploration licence **MEL 2022-07**. The Project is situated within the **Gardar Alkaline Province**, a globally recognised geological belt prospective for zirconium **(Zr),** niobium **(Nb)** and rare earth elements **(REE)** including Hafnium **(Hf)**.

Dalaroo completed the acquisition of the Project in January 2026, securing full ownership and operational control, providing flexibility to advance exploration in line with the Company's technical and capital allocation strategy.

Figure 2. Aireal View of Western Lagoon Beach.

Geological Setting

The Project lies within the Paleoproterozoic rift province of South Greenland, intruded by Mesoproterozoic Gardar-age alkaline complexes which are globally recognised for hosting critical mineral systems. The licence area is located within the Helene alkaline granite, forming the westernmost exposure of the Nunarsuit Complex – the largest and youngest Gardar intrusion in the region. The surrounding geology, including extensive alkalic syenite units, reinforces the strong prospectivity for REE, Zr and Nb mineralisation

2025 Maiden Exploration Program

During the 2025 field season, Dalaroo completed its maiden systematic exploration program at Blue Lagoon, comprising:

- geological mapping
- shoreline and lagoon sediment sampling
- shallow auger drilling
- multi-element geochemical analysis

Samples were submitted to accredited laboratories and analysed using fusion digestion and ICP-MS techniques to generate high-quality datasets suitable for critical mineral assessment.

In addition to rare earth elements (TREO), the program specifically assessed zirconium, hafnium and niobium as key pathfinder elements associated with alkaline intrusive and heavy mineral systems.

Zr–Hf Geochemical Relationship

Zirconium and hafnium exhibit nearly identical geochemical behaviour:

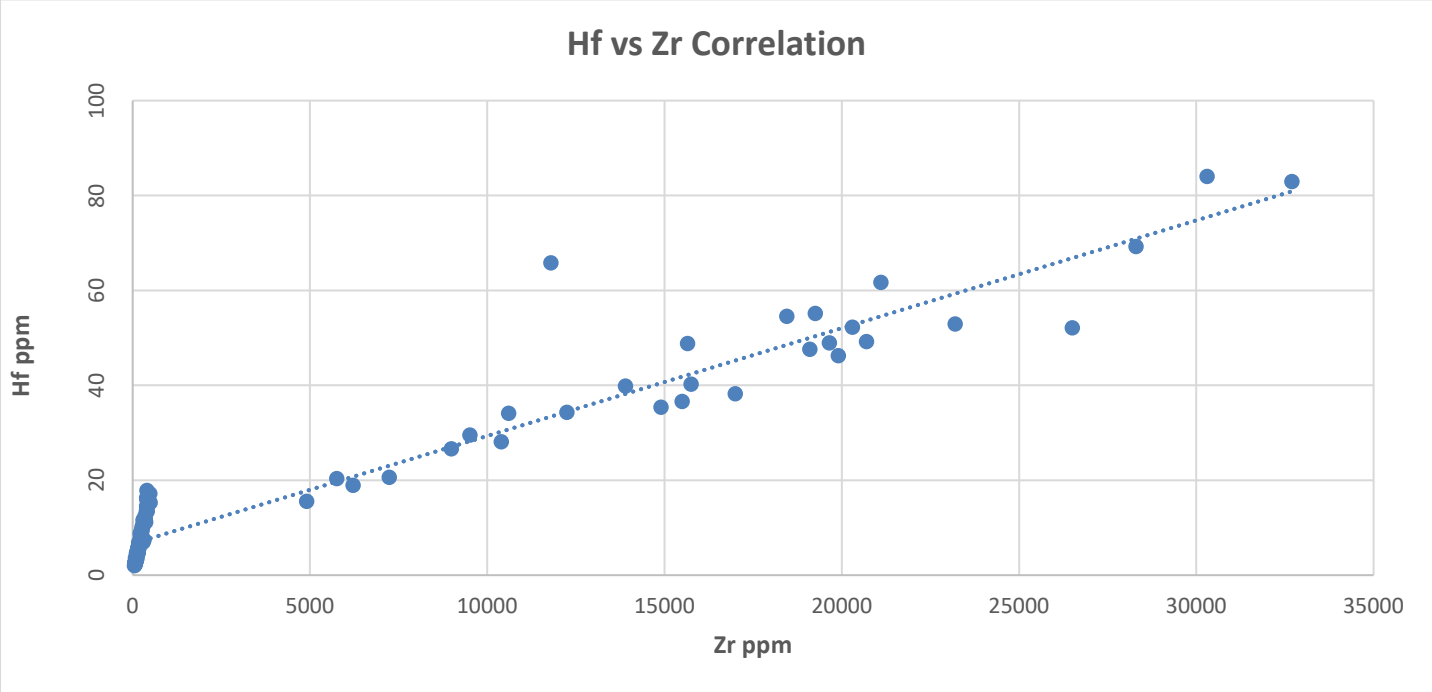
- both are tetravalent (+4)
- similar ionic radii
- strongly compatible within zircon ($ZrSiO_4$)

Hafnium substitutes directly for zircon within the crystal lattice. As a result:

- zircon is the dominant host for both elements
- Zr and Hf concentrations typically co-vary linearly
- strong positive correlation is characteristic of zircon-dominated systems

Accordingly, the Zr–Hf relationship provides a reliable proxy for zircon abundance and heavy mineral concentration.

Table 1. Hf–Zr correlation plot demonstrating a strong zircon-controlled signature across the project area. The tight trend confirms heavy-mineral enrichment, with Hf-rich outliers highlighting priority zones for further investigation.



Observed Results

Evaluation of the Blue Lagoon dataset shows:

- strong positive linear covariance between Zr and Hf
- tight clustering of values
- consistent Zr/Hf ratios typical of zircon
- minimal dispersion or multiple source signatures

This uniform behaviour confirms zircon is the principal host mineral controlling both Zr and Hf at Blue Lagoon. The consistency of this relationship across multiple sample types supports a widespread and laterally continuous heavy mineral system rather than isolated or bedrock-controlled anomalies.

Importantly, heavy mineral systems globally are typically amenable to simple gravity separation and low-strip, shallow mining methods, which can support lower capital intensity development scenarios. The Blue Lagoon results therefore represent an important step in assessing potential future project economics.

Geological Interpretation

Heavy Mineral Concentration Model

The Blue Lagoon Project is interpreted to represent a sedimentary concentration environment where:

- source rocks weather and liberate resistant accessory minerals
- heavy minerals are transported by surface processes
- wave and hydraulic action sort sediments by density
- dense minerals accumulate within shoreline and lagoon traps

Zircon's high density (~4.6 g/cm^3), chemical stability and mechanical durability favour natural upgrading during sedimentary reworking. These properties favour natural upgrading and concentration during sedimentary reworking.

The strong correlation between Zr and Hf offers clear mineralogical evidence that these physical concentration processes are occurring at Blue Lagoon. Because zirconium values show a strong connection with hafnium and other rare earths, zirconium can serve as a pathfinder mineral when using a portable XRF during upcoming exploration. This approach enables Dalaroo to quickly identify areas of significant mineralization in the field, helping the team make real-time decisions. As a result, geological understanding should improve, giving the team the flexibility to adapt their actions in the field as necessary.

Next Steps

The Company is engaging Perth-based specialist consultants to undertake detailed mineralogical, metallurgical and process characterisation testwork. Representative samples from the 2025 field season are currently being prepared for shipment to Australia for analysis.

Building on these results, the Company intends to undertake:

Exploration

- expanded shoreline and lagoon sampling
- systematic Zr pathfinder mapping using handheld xrf
- auger and shallow drilling across defined anomalies

Mineralogy

- heavy mineral separation
- QEMSCAN/MLA analysis
- grain size characterisation

Metallurgy

- gravity recoverability testing
- density separation trials
- concentrate characterisation

These programs are designed to better define mineral hosts, quantify recoveries and assess potential development pathways.

Management Commentary

John Morgan, CEO of Dalaroo, commented:

“These results represent an important step in systematically de-risking the Blue Lagoon Project. Confirming zircon as the dominant host mineral provides confidence that heavy mineral concentrations are laterally continuous and potentially amenable to simple gravity processing methods.

Heavy mineral systems globally are typically associated with shallow mining, low strip ratios and straightforward beneficiation flowsheets. This creates the potential for lower capital intensity development scenarios relative to many hard-rock critical mineral projects.

Blue Lagoon continues to demonstrate the geological characteristics we target across our portfolio — scale, simplicity and a clear pathway from exploration success to potential development. We look forward to advancing mineralogical and metallurgical test work ahead of the next field season.”

References:

[1] 16th January 2025 ASX Announcement: Sampling Reveals District Scale Critical Minerals- Greenland

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

ENDS

For more Information:

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

John Morgan,

T: +61 410 774 319

E: jmorgan@dalaroometals.com.au

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 southern **Greenland**, prospective for rare earth elements (REE), zirconium and niobium, a growing suite of gold exploration assets in **Côte d'Ivoire** located within the highly endowed Birimian Greenstone Belt of West Africa, and the **Lyons River Project** and **Namban Project** 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.

COMPETENT PERSON 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. Commodity pricing information is indicative only, subject to market volatility and should not be relied upon as a projection of future prices. Investors are cautioned not to place undue reliance on forward-looking statements. Dalaroo Metals Limited undertakes no obligation to update or revise any forward-looking statements, except as required by law.

The Company confirms it is not aware of any new information or data that materially affects the information included in this announcement.

No new exploration results are reported in this announcement. The information presented relates to interpretation of previously reported geochemical datasets.