



DALAROO METALS LTD
ACN 648 476 699

Financial Statements
For the Year Ended 30 June 2023

DALAROO METALS LTD
ACN 648 476 699

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CORPORATE DIRECTORY

Directors	David Quinlivan – Non Executive Chairman Robert Beeck – Non Executive Director Harjinder Kehal – Managing Director
Company secretary	John Arbuckle
Registered office	Suite 1, 346 Barker Road Subiaco WA 6008
Principal place of business	Suite 1, 346 Barker Road Subiaco WA 6008
Share register	Advanced Share Registry Services Ltd 110 Stirling Highway Nedlands WA 6009
Auditor	Crowe Perth Level 5, 45 St Georges Terrace Perth, WA 6000
Solicitors	AGH Law Level 1, 50 Kings Park Road West Perth WA 6005
Stock Exchange Listing	Dalaroo Metals Ltd is listed on the Australian Securities Exchange. The home exchange is Perth, Western Australia (ASX code: DAL)
Website	www.dalaroometals.com.au

Company Information

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia.

The Company is domiciled in Australia.

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CHAIRMAN'S REVIEW

Dear Shareholder

On behalf of the Board of Dalaroo Metals Ltd ("Dalaroo" or the "Company"), I am pleased to present the Annual Report for the financial year ending 30 June 2023.

Our maiden aircore drilling program at the Browns prospect, Lyons River Project has outlined Pb-Zn-Ag mineralisation over strike length of 800m with a significant intersection of **10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m including 1m @ 3.13% Pb from 38m, 0.24% Zn, 5g/t Ag from 38m**. This intercept occurs where high grades of base metals and silver mineralisation were identified in surface rock chips of ironstone and locally gossanous rock units returning values of **39.6% Pb, 0.71% Zn, 82g/t Ag**. The significant Pb-Zn-Ag, AC results from Browns further confirm that Lyons River has potential to host multiple Pb-Zn discoveries and is emerging as a new BHT / SEDEX deposit setting in Western Australia. Browns represents the second site of Pb-Zn-Ag intersections discovered by Dalaroo in the Gascoyne Province, 5km east of our Four Corners Pb-Zn-Ag prospect. Dalaroo's successful \$180,000 EIS grant will be used to co-fund 50% of the direct diamond drilling cost to drill four deep holes to test the very compelling Browns base metal target covering an area of 2km X 1km once all approvals are in place.

At the Goodbody prospect, multiple gold-bearing quartz vein zones have been discovered over 1.5km long trend with gold grades of up to 5.52g/t. These new gold bearing quartz vein zones discovered, correlate well with defined Au-in-soils anomalies defined over strike length of 3km; and are open in all directions.

Strong rare earth element (REE) soil and rock chip anomalies delineated with values of 8900ppm, coincide with large thorium highs identified in radiometric imagery. REE and carbonatite targets corresponding to a range of magnetic, thorium and ASTER imagery response have also been outlined at Lyons River. Follow up systematic geochemical sampling programs are underway at Marloo River/View Hill REE prospects as well as at the newly identified REE carbonatite targets.

Lithium potential pegmatite swarms of the Thirty Three Supersuite with high LCT fertility extending across a 9km x 6km zone are being targeted in the current phase of exploration. Anomalous values of 114ppm lithium, 1638ppm rubidium, 329ppm niobium, 116ppm tantalum, 182ppm tin across a number of lithium targets at Lyons River highlight prospectivity for lithium deposits.

Dalaroo's exploration programs during the year at its 100% owned Lyons River Project, located within the sought after Gascoyne Province is now shaping up as being highly prospective not only for base metals (Pb-Zn-Ag), vein/shear related gold but also for REE and lithium deposits.

A diamond drilling program partly funded by an EIS grant awarded to Dalaroo for \$175,000 has been completed to test large Ni-Cu-PGE*+Au geochemical anomalies covering an area of 2km X 0.5km, coincident with IP anomalies at the Manning prospect, Namban Project. There is potential for magmatic intrusion hosted Ni-Cu-PGE-Au and or hydrothermal Cu-Au deposits at the Manning prospect, located in the newly emerging West Yilgarn Province. Namban Project tenements are located approximately 150 km to the north of Perth, 90km north of Challice Mining's world class Julimar Ni-Cu-PGE Project and adjacent to the mid north regional centre of Moora, extend over a north – south strike distance of approximately 60 kilometres adjacent to the Darling Fault on the western margin of the Archean Yilgarn Craton.

Our disciplined and methodical approach to exploration using the latest techniques during the year has delineated a number of exciting prospects at both projects that are worthy of immediate first pass drill testing or follow up drilling and we look forward to actively pursuing our exploration programs in these areas in the year ahead.

In closing I would like to thank all our shareholders, employees and contractors for your continued support of Dalaroo throughout the year.

Yours sincerely



David Quinlivan
Chairman

27 September 2023

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, of Dalaroo Metals Ltd (referred to hereafter as the 'Company' or 'Dalaroo') at the end of, and during, the year ended 30 June 2023.

DIRECTORS

The following persons were directors of the company during the whole of the reporting year and up to the date of this report, unless otherwise stated:

Mr David Quinlivan - Non-Executive Chairman

B.App Sci, MinEng, Grad. Dip. Fin Serv, FAusImm, FFINSA, MMICA

Mr Quinlivan is a mining engineer with significant mining and executive leadership experience, having held 11 years of service at WMC Resources Limited, followed by a number of high-profile mining development positions. Since 1989, Mr Quinlivan has served as Principal of Borden Mining Services, a mining and consulting services firm, where he has worked on a number of mining projects in various capacities.

Currently, Mr Quinlivan is Chairman of Silver Lake Resources (ASX:SLR). Previously, Mr Quinlivan served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President, Chief Executive Officer of Alacer Gold Corporation, Chairman of Churchill Mining PLC and Non-Executive Director of Ora Banda Mining.

Mr Quinlivan is considered to be an independent Director.
Mr Quinlivan was appointed as a Director on 5 March 2021.

Mr Harjinder Kehal - Managing Director BSc (Hons), MMEE, MAusIMM, HAIG

Mr Kehal is a graduate of University of Western Australia and Macquarie University, geologist with over 30 years' experience in the mineral resources sector in Australia, Chile, India and Vietnam. Mr Kehal has a proven track record in project management and evaluation, feasibility studies, joint venture negotiations and statutory reporting and played a leading role in the discovery of a number of gold and base metal deposits in Western Australia and the Northern Territory, including the 1 million ounce Golden Cities deposit, 600,000 ounce Tooheys Well gold deposit and Erayinia VMS lead-zinc deposit.

Currently, Mr Kehal is also Managing Director of public unlisted Serena Minerals Limited. Previous positions include Chief Operating Officer of AXG Mining Ltd and Executive Director and Chairman of Altera Resources Ltd.
Mr Kehal was appointed as a Director on 5 March 2021.

Mr Robert Beeck - Non-Executive Director MBA, Associate Member of the AusIMM

Mr Beeck has over 30 years' experience in mineral processing operations management in Australia with relation to nickel, diamonds, gold and iron ore. Mr Beeck has held senior roles in mine operations, feasibility studies, engineer design and construction of ore processing and infrastructure projects. Mr Beeck is an associate member of the AusIMM and Master of Business Administration (University of Western Australia). Currently, Mr Beeck is General Manager of API Management, the manager of the joint venture of the West Pilbara Iron Ore Project.

Mr Beeck is not considered to be an independent director given he is a Director of Serena Minerals Limited and Shenton Resources Limited, both substantial shareholders of the Company.
Mr Beeck was appointed as a Director on 5 March 2021.

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DIRECTORS' REPORT

COMPANY SECRETARY

Mr John Arbuckle B.Bus, CPA (*appointed 1 September 2022*)

Mr Arbuckle is an accountant with over 30 years' experience in the resource industry with extensive experience in Company Secretary, Chief Financial Officer and Non-Executive Director roles in ASX listed companies. He has previously held senior financial management roles with CRA Ltd, North Ltd, Anaconda Nickel Ltd and was the Chief Financial Officer of Perilya Ltd and Mt Gibson Iron Ltd before starting his own company secretarial and corporate advisory business.

Mr David Peterson B.A (Acc), CPA, FGIA, FCG (*resigned 31 August 2022*)

PRINCIPAL ACTIVITIES

During the financial year the principal activities of the company consisted of exploration activities at the company's exploration tenements situated in Western Australia.

There were no other significant changes in these activities during the financial year.

RESULTS OF OPERATIONS

The net loss for the Company after providing for income tax amounted to \$2,472,701 (2022: \$2,666,980).

The Company continues to undertake exploration and evaluation activities on its tenements located in Western Australia.

REVIEW OF OPERATIONS

Dalaroo's Lyons River and Namban projects occupy a large strategic land position totalling 1,140 km² with scale to host significant sized orebodies located in the Tier 1 jurisdiction of Western Australia (Figure 1).

Lyons River in the Gascoyne Region of Western Australia

Dalaroo's Lyons River Project is 100% owned land position of 740 km² within the Proterozoic Mutherbukin Zone of the Gascoyne Province, located 220km north-east of Carnarvon (Figure 2). Lyons River is prospective for base metals (Pb-Zn-Ag), vein/shear related gold, rare earth element ("REE") and lithium deposits (Figure 3).

Browns Pb-Zn-Ag

Dalaroo completed two aircore (AC) drilling programs during July and December 2022 which has outlined new and significant BHT/SEDEX-style Pb-Zn-Ag mineralization at the Browns prospect, Lyons River Project (Figure 4). Browns is one of six Pb-Zn soil geochemical prospects identified from large systematic soil geochemical programs (sample spacing 250 X 50-100m) at Lyons River within a Proterozoic Age basin setting covering an area of 30km by 10km.

The Company's phase 1 AC drill program at the Browns prospect comprising 20 angled AC drill holes for 1,216 metres ranging in depth from 49 to 73 metres in July 2022 was designed to test a very compelling broad Pb-Zn soil and rock chip geochemical anomaly (max 1445ppm Pb, 1080 Zn ppm) covering an area of 2km X 1km, associated with extensive iron-rich and gossanous material at surface.

Detailed gravity surveys (200m X 50m spacing), completed by Dalaroo in the second half of 2021, complemented historical surveys by BHP and showed a coincident gravity low suggesting an area of possible deepening basin development at Browns. 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 thrust structures.

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Figure 1: Dalaroo Metals projects Location

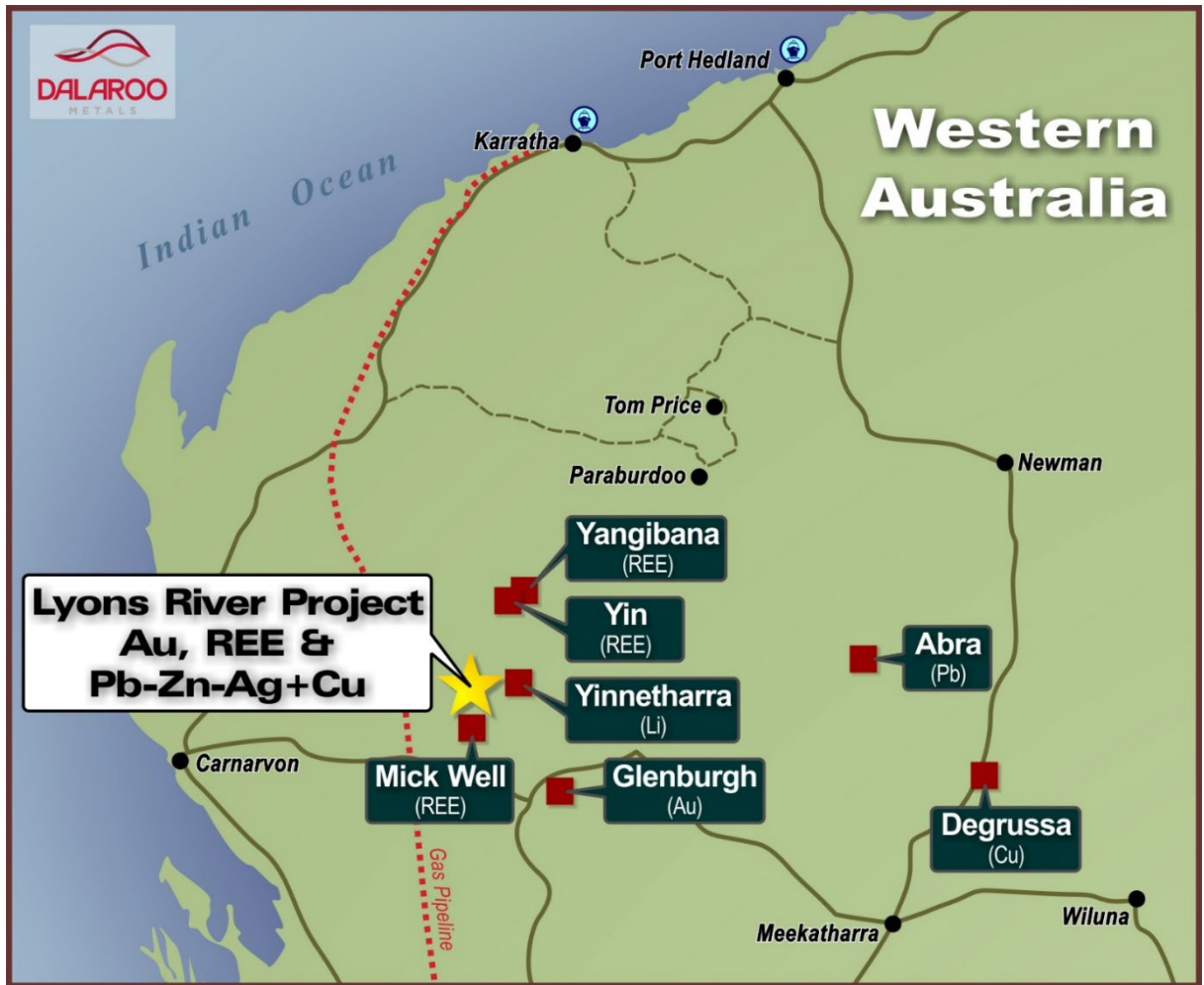


Figure 2: Lyons River Project location

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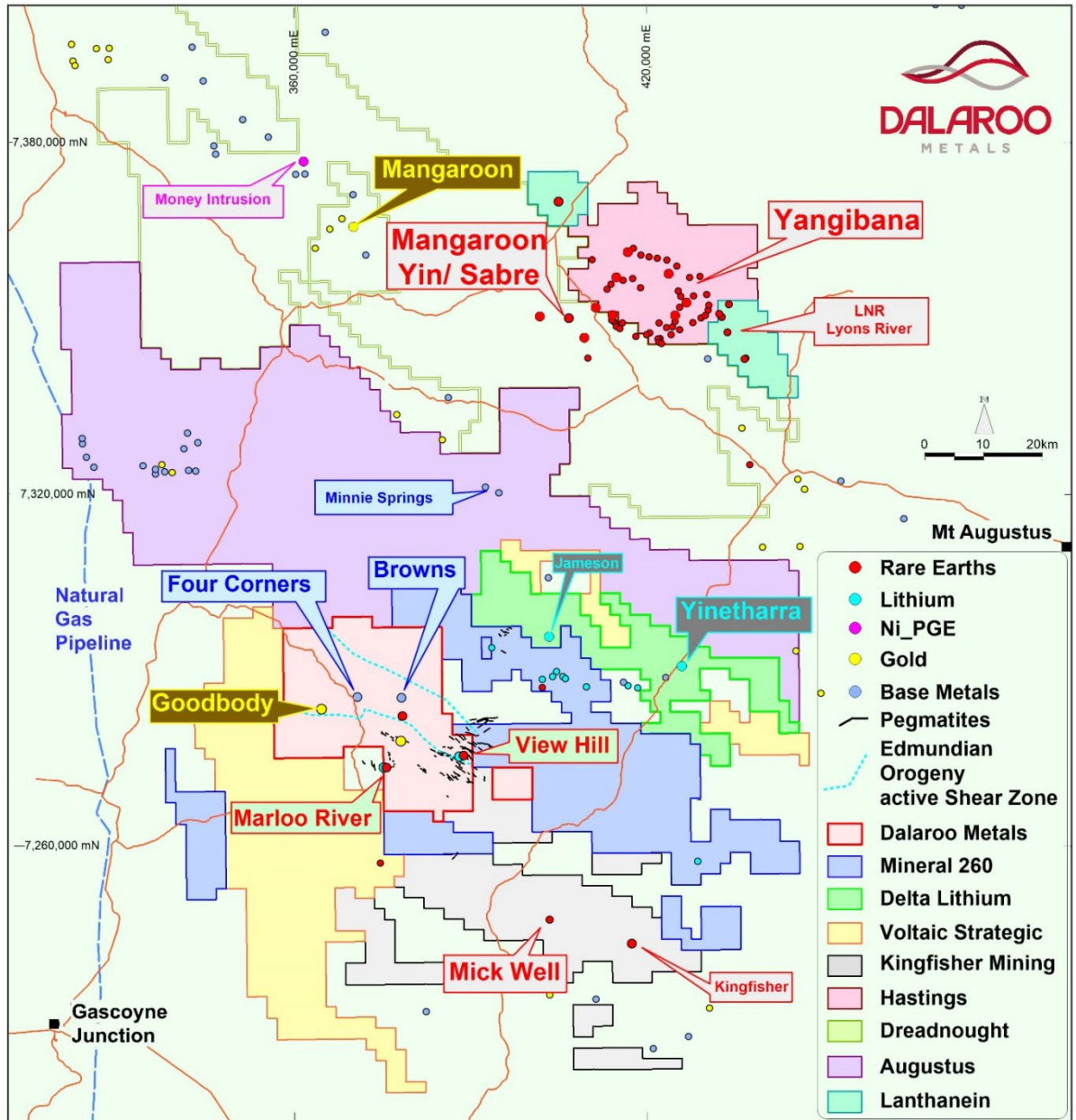


Figure 3: Lyons River Project in the Gascoyne Province REE and lithium companies and prospects

DIRECTORS' REPORT



Figure 4: AC drill rig at Browns prospect

Phase 1 AC drill program was successful in intersecting zones of interbedded psammitic to pelitic lithologies together with multiple zones of disseminated base metal sulphides such as galena and sphalerite. The psammitic to pelitic lithologies display varying garnet intensities that appear laterally extensive coupled with the presence of sillimanite infer a large alteration halo is present at Browns. The Pb-Zn-Ag mineralized zone at Browns identified during phase 1 drilling, mineralisation remained open to the south and up-dip from LRAC010 (e.g. 10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m including 1m @ 3.13% Pb from 38m, 0.24% Zn, 5g/t Ag from 38m (LRAC010) in Figure 5. This intercept suggests that localized high grades of base metals and silver (e.g. percent levels of Pb) mineralisation identified in surface rock chips of ironstone/ferruginous and locally gossanous rock units and float rock over a strike of approximately 60m (39.6% Pb, 0.71% Zn, 82g/t Ag; (see ASX announcement, 15 November 2022) exist in the subsurface hypogene mineral system at Browns.

In December 2022, 16 AC holes totaling 1,153m were drilled at the Browns prospect. In the Phase 2 drilling campaign, known mineralisation in LRAC010 was extended up-dip to the surface oxide zone with the intersection of 21m @ 0.33% Pb, 0.17% Zn, 0.52g/t Ag from 1m (LRAC034). (see ASX announcement, 15 November 2022).

Importantly, approximately 150m south of the mineralized units in LRAC010 and LRAC034, thick zones of variably pyritic biotite-quartz gneiss, likely representing metamorphosed shales, were intercepted and found to be enriched in silver, returning 63m @ 1.76g/t Ag from 16m (LRAC032) and 16m @ 1.43g/t Ag from 68m (LRAC033). This extends the footprint of Pb-Zn-Ag mineralized system at Browns to approximately 400m in thickness in its central portion (Figure 6). The location of higher-grade mineralized intercepts supports previous interpretation that BHT/SEDEX mineralizing processes may be related to an oblique NE-trending structure that transects the NW-trending basin stratigraphy.

The drilling of bedrock beneath surface geochemical anomalism in southern Browns intersected mostly biotite-quartz-feldspar gneiss and quartzite with sulfide-bearing schists towards end-of-hole LRAC021. The anomalous zinc in geochemical samples is attributed to a secondary enrichment process with the source of metals weakly zinciferous biotite-rich schists intercepted in this zone, which are found to have elevated background zinc contents (up to 804 ppm in LRAC027).

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Significantly, the geological transition to more pyritic and phyllosilicate-rich units identified at the southern limits of the tested area (from 80m depth in LRAC021) is interpreted to represent a transition in the pre-metamorphic protolith stratigraphy to lower energy sedimentary units, considered more prospective for BHT/SEDEX type deposits. Therefore, future investigations will continue to test southwards into this domain, which also coincides with the "trough" structure epicenter interpreted from detailed gravity plus airborne magnetics geophysical data.

The significant Pb-Zn AC results from Browns further confirm that Lyons River has potential to host multiple Pb-Zn discoveries and is emerging as a new BHT / SEDEX deposit setting in Western Australia (Figure 5). Browns represents the second site of Pb-Zn-Ag intersections discovered by bedrock drilling in the Mutherbukin Zone, 5km east of the Dalaroo's Four Corners Pb-Zn-Ag prospect.

EIS Grant Approved for Browns Prospect

Dalaroo's application for exploration funding in Round 27 of the Western Australian Government's Exploration Incentive Scheme ("EIS") was successful. Dalaroo's \$180,000 EIS grant will be used to co-fund 50% of the direct diamond drilling cost to test its significant Browns Pb-Zn-Ag BHT/SEDEX prospect.

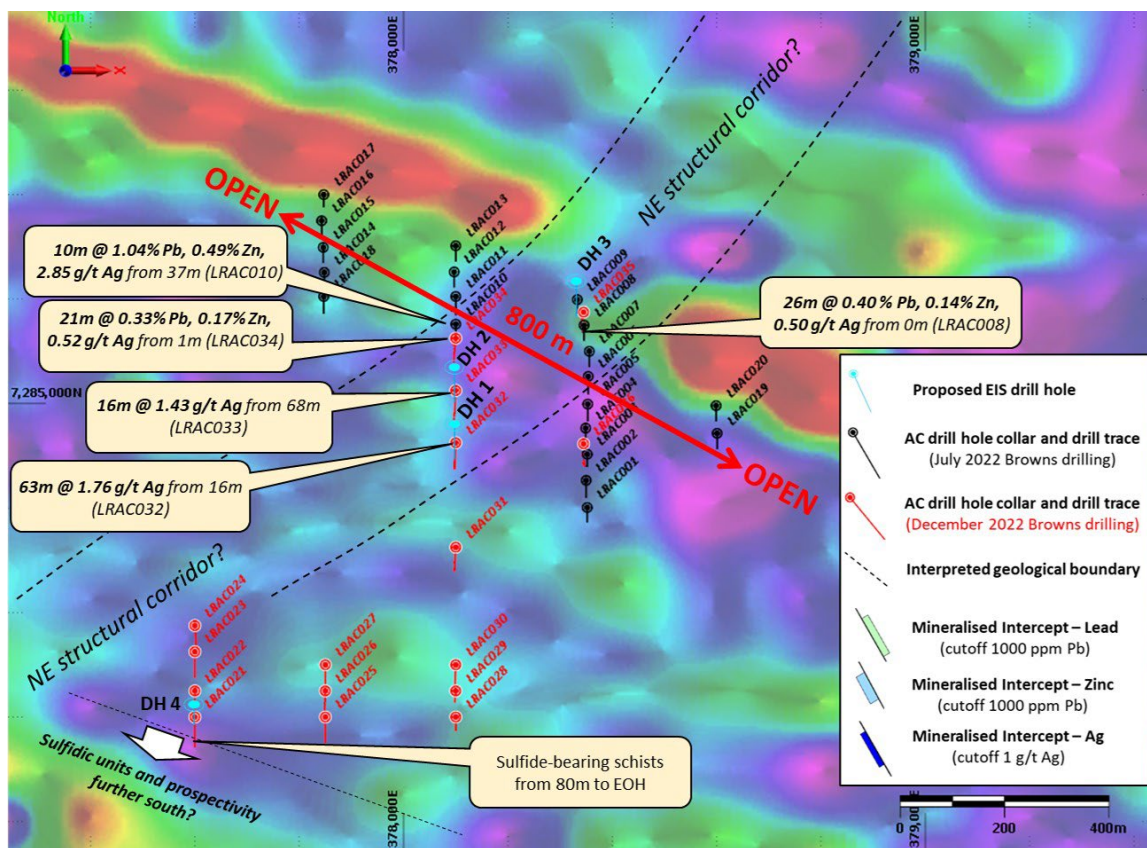


Figure 5: Map view of aircore drilling completed at Browns on ground gravity data basemap. Note location of newly reported mineralized intersections and structural interpretation. See Figure -- for annotated cross-section A-B.

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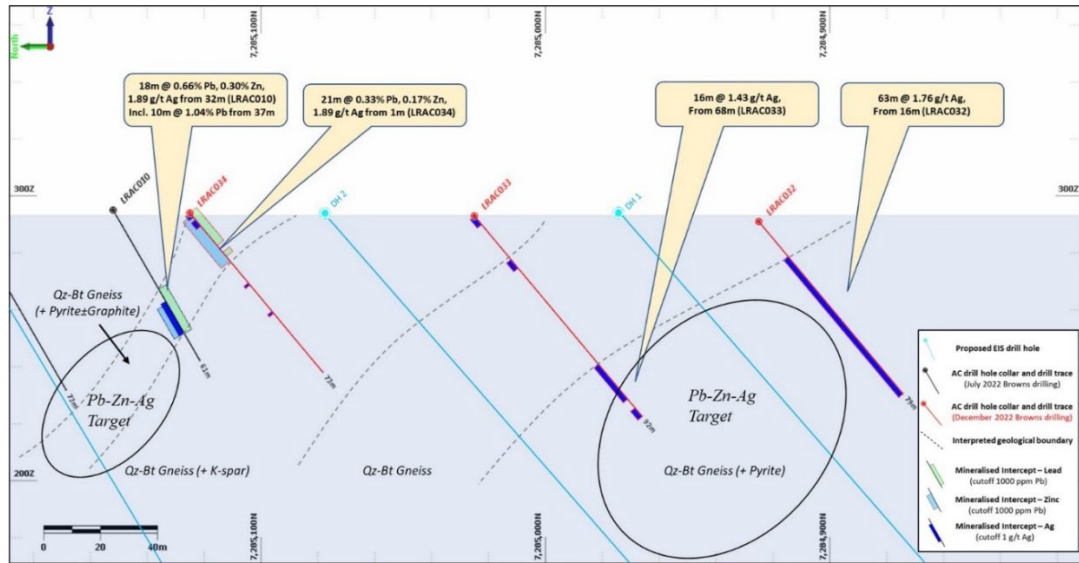


Figure 6: Simplified cross section A-B (see Figure 5) displaying selected mineralised drilling intercepts.

Goodbody – Gold

The Goodbody gold prospect located in the western part of Lyons River Project (Figure 7) was defined in April 2022 from a review of Dalaroo's soil geochemical sampling with a focus on Pb-Zn targets which was previously completed on a pattern of 250m X 50 to 100m over several campaigns by Serena Minerals Limited (period 2017 to 2021). A peak value of 93ppb Au was returned from the now named Goodbody Central target. Rock chip sampling at Goodbody was carried out by Audalia Resources Limited (ASX: ACP) during 2014 to 2015 1 & 2, with anomalous Au results of 0.40g/t, 0.32g/t, 3.17g/t, and 6.25g/t returned from low-lying ferruginous quartz vein outcrops at the now named Goodbody West target.

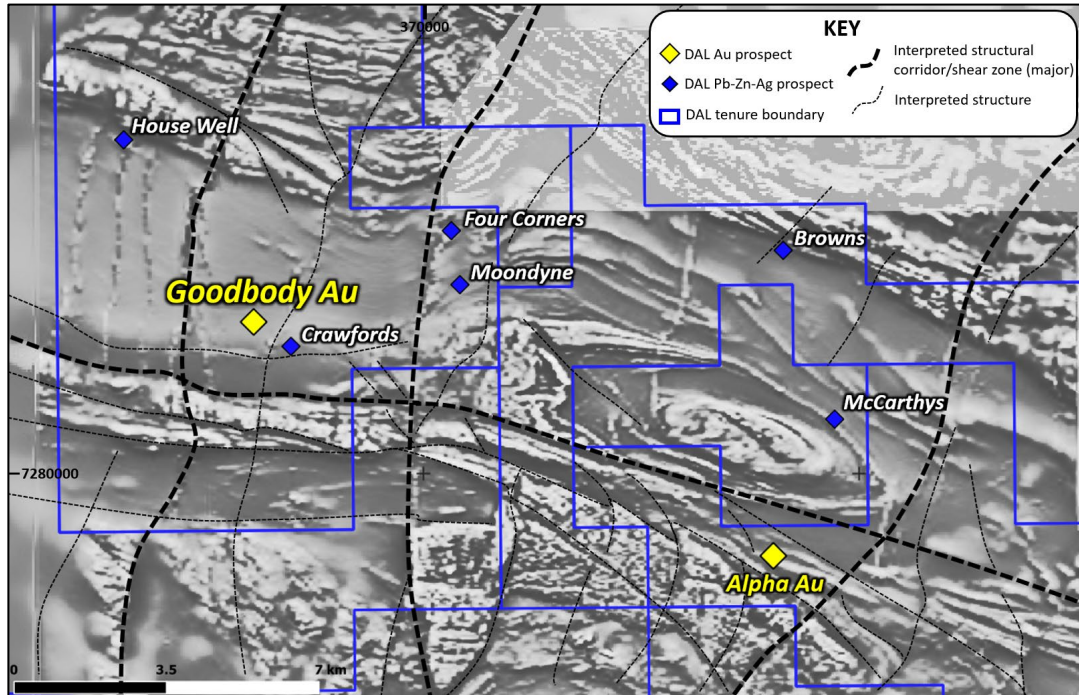


Figure 7: Location of Goodbody prospect in relation to additional gold and base metal prospects and interpreted regional structures within Dalaroo Metals' Lyons River Project area. Overlaid on greyscale Total Magnetic Intensity (TMI) 1VD base map.

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Dalaroo completed infill and step-out soil sampling at the Goodbody gold prospect, outlining a 3km long trend comprises three higher strength anomalous zones (>10 ppb Au), forming separate sub-targets within the Goodbody prospect; Goodbody West, Goodbody Central, and Goodbody East (Table 1). (Figure 8).

Table 1: Summary features of discrete Au anomalies (targets) within the Goodbody prospect.

Target	>10 ppb Au-in-soil anomaly strike length	Peak Au-in-soil value	Peak Au rock chip value
Goodbody West	>250 metres	54 ppb	6.25g/t
Goodbody Central	>200 metres	93 ppb	<i>untested</i>
Goodbody East	>200 metres	24 ppb	<i>untested</i>

The anomalous Au-in-soil footprint displays an apparent east-west orientation, sub-parallel to the local structural-stratigraphic trends and major WNW-striking regional shear zones in the district, which transect the Lyons River Project and wider Gascoyne Province (Figure 7). The Geological Survey of Western Australia interpret such structures to represent major crustal shear zones and tectonic boundaries.

New gold mineralisation in outcropping quartz veins was discovered at the Goodbody West and Goodbody Central target areas proximal to previously reported Au-anomalous soil samples of 54 ppb Au and 93 ppb Au, respectively. The extent of auriferous veins in the Goodbody West area are confirmed over a strike length of 200m, remaining open in all directions. Similarly at Goodbody Central, the extent of Au anomalous rock chip sampled veins span 140m strike and remain open. The combined footprint of mineralized rock chips from these two target areas is approximately 1.5km within the broader Goodbody prospect defined over a strike length of 3km (Figure 8).

The sampled quartz veins are typically 5-30cm thick and are comprised of mainly quartz with minor biotite and, locally, ferruginous oxide phases. They form sub-parallel to the pervasive structural fabric within foliation planes and commonly contain internal breccia zones consisting of Fe-oxide and silica-rich matrices surrounding fragmented quartz vein clasts. The samples were composed of entirely vein material, the adjacent wall rocks, or a combination of both.

At the Goodbody West target, gold concentrations of up to 1.42g/t and 5.52g/t (Figure 2) have been returned from a particular set of quartz veins hosted within a metasedimentary rock package of pelitic schists and siliceous cherts and iron stones/BIF-style units. Historic rock chip sampling of quartz veins in this area returned up to 6.25g/t Au. In the Goodbody Central target area, pelitic schists are the dominant host rocks but zones of iron-oxide rich siliceous vein breccias and quartz-biotite altered wall rocks are also prevalent results of 0.48g/t Au. At this locality, muscovite and tourmaline bearing quartz veins have also been found to be mineralized with results of 0.16g/t Au.

It is noted that high-strength soil anomalies and multiple rock chip assays of up to 5.52g/t Au returned from Dalaroo sampling associated with the Goodbody West, Central and East targets spatially coincide with the location of intersections between interpreted WNW-striking structures and NNE-trending structures (Figure 2). Conceptually, structural intersection zones represent potentially intensified deformation areas that may be associated with favourable sites of hydrothermal fluid movement and gold mineralisation. As such, the Goodbody Au targets are considered worthy of follow-up exploration work.

DIRECTORS' REPORT

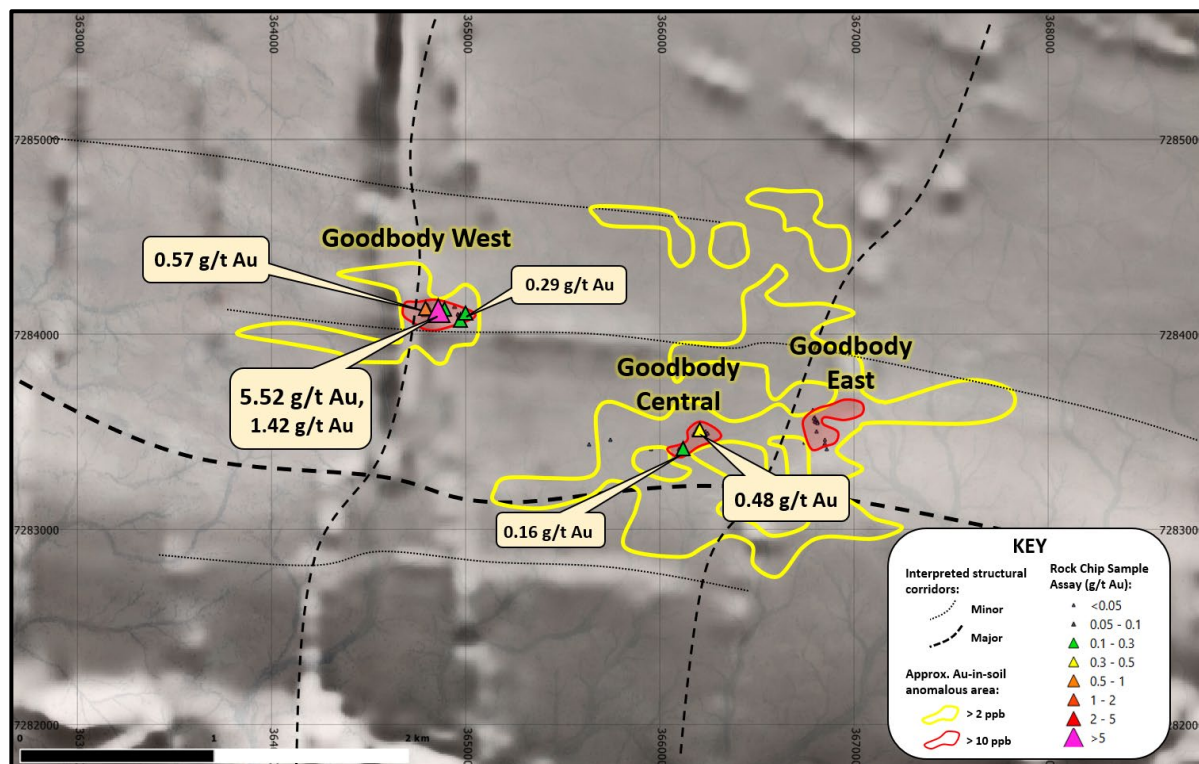


Figure 8: Location of recent rock chip samples (triangles) within the Goodbody gold prospect area. The Goodbody West to Goodbody Central mineralized quartz vein zones are hosted within a 1.5km stretch within the broader 3km long Goodbody Au soil anomaly. Overlaid on greyscale Total Magnetic Intensity (TMI) 1VD basemap and satellite imagery.

REE & Li Potential

Dalaroo's Lyons River Project is dominated by rocks of the Proterozoic Age Durlacher Suite which hosts known REE deposits and mineralisation in the Gascoyne Province, including the Yangibana, Yin/Sabre and Mick Well Projects. Assessment of Dalaroo's existing detailed airborne magnetics/radiometric dataset has defined local thorium highs coincident with magnetic lows adjacent to major structures, a signature that is deemed prospective by other REE explorers in the Gascoyne region. Dalaroo's REE targets for the initial rock chip sample program utilised Landsat 8 scene data to outline areas of ironstones with a spectral response similar to those observed at Yangibana and Yin.

Dalaroo completed its inaugural rock chip sampling program for REE. A total of 45 rock chip samples collected were analysed for a multi-element REE suite (Figure 9). Encouraging anomalous Total Rare Earth Oxides (TREO) results included:

- DM003034 – **1536 ppm (0.15%) TREO**
- DM003008 – **554ppm TREO**
- DM003033 – **449 ppm TREO**
- LR804 – **432ppm TREO**

DIRECTORS' REPORT



Figure 9: Photo of REE enriched ironstone outcrop (sample DM003034 – 0.15% TREO) at Lyons River

Marloo REE and Li Potential

At Marloo River, an initial soil sampling campaign (100m x 250m sample spacing) has revealed zones of elevated REEs (up to 1278 ppm TREO) and Li (up to 93.5 ppm; Figure 10). These anomalies are associated with feldspar-muscovite-quartz-dominant pegmatites with locally biotite-rich zones, that have intruded a micaceous pelitic schist package, likely of sedimentary rock origin.

Within the vicinity of soil samples containing >1000 ppm TREO and >90 ppm Li, an outcropping feldspar-biotite-rich pegmatite body was rock chip sampled (sample 2310AR_002) and returned assay values of 0.89% TREO and 215 ppm Li. In the northern extents of the Marloo River prospect area, a single soil line extension revealed 842 ppm TREO in soils that remains open to the west and east (Figure 10). Pegmatite outcrops extending over hundreds of metres have also been observed in this area.

View Hill Lithium Potential

Dalaroo's lithium anomalous rock chip results targets are located approximately 22km south-west of the Yinnetharra Lithium Project. The Yinnetharra Lithium Project was recently acquired by Delta Lithium Ltd (ASX: DLI) for an initial purchase price consideration of \$15 million, following significant drill intersections that included 23m @ 1.02% Li₂O (ASX: RDT -See ASX: Announcement from 12 September 2022).

Pegmatites in the Yinnetharra district form part of the intrusive Thirty Three Supersuite ("TTS"), which comprises granite, granitic pegmatites (microcline-muscovite-tourmaline) and rare-metal pegmatites. The recent field mapping has confirmed that the granites and pegmatites of the TTS have also intruded the host stratigraphy of the Lyons River Project tenements.

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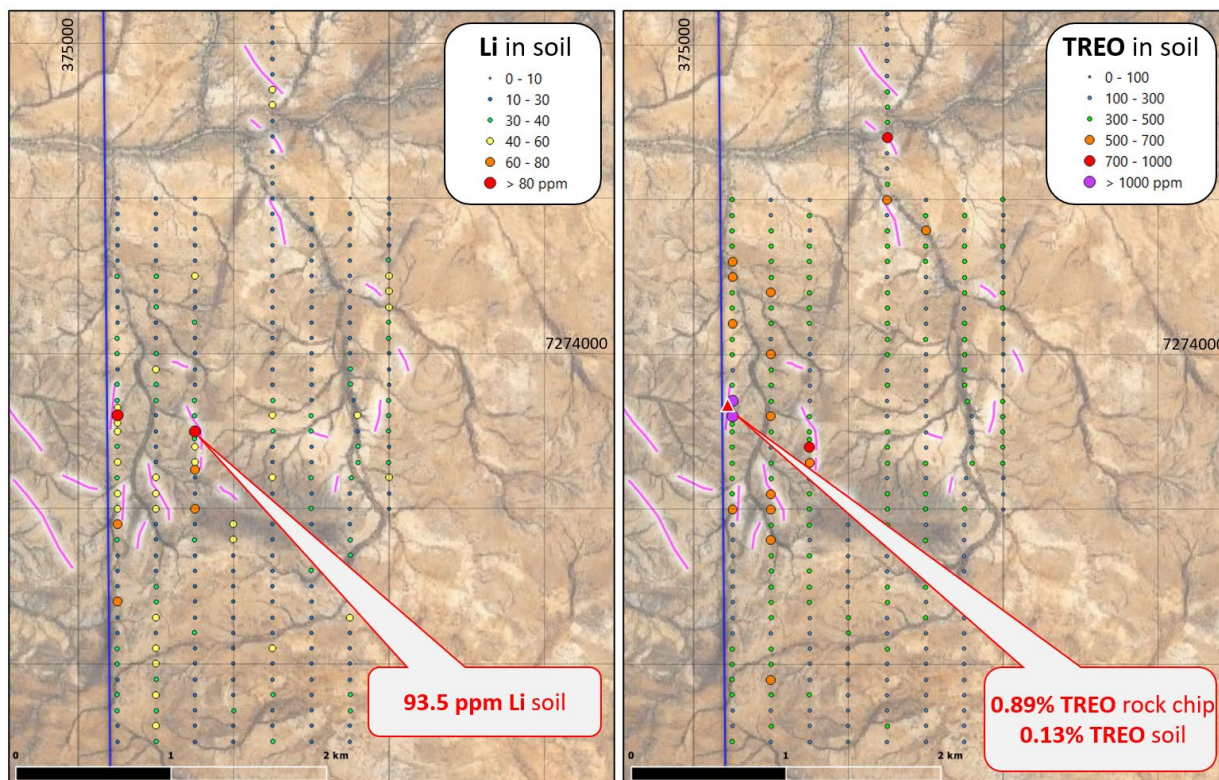


Figure 10: Marloo River anomalous lithium and TREO soil/rock chip geochemistry results.

Selective reconnaissance rock chip sampling completed at View Hill of the granitic pegmatites has demonstrated whole rock geochemistry that is considered high fertility for LCT-type pegmatites associated with Li mineralization (Figure 11). Assays from the pegmatite swarm that extends across a 9km X 6km area have returned highly anomalous values of 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 182 ppm Sn. Rock chip sampling of pegmatites in other targeted pegmatite swarm areas, west of View Hill, has returned significant Ta and Nb values of 116 ppm and 329 ppm respectively with anomalous Rb of 904 ppm.

A strong REE soil anomaly which coincides with a large 2km strike length north-west striking high thorium anomaly observed in radiometrics imagery data now highlights a third REE target at the Lyons River Project, in addition to the Marloo River and Gamma areas delineated during the 2022 field season. Systematic first pass orientation soil geochemical sampling has only been completed on three lines with a total of 207 samples collected at 100m intervals (Figure 11).

REE & Carbonatite targets

A detailed review by a consultant geophysicist of a range of datasets held and acquired, including detailed magnetics, radiometrics (thorium) and ASTER, have outlined 27 targets with potential for REE and carbonatites (Figures 12). Dalaroo has commenced its exploration field work and the planned field work is anticipated to define drill targets and expected to be completed during the September 2023 Quarter. It will comprise:

- Geological reconnaissance and rock chip sampling of REE/carbonatite targets
- Systematic soil geochemical program of target areas
- Geophysical surveys

DIRECTORS' REPORT

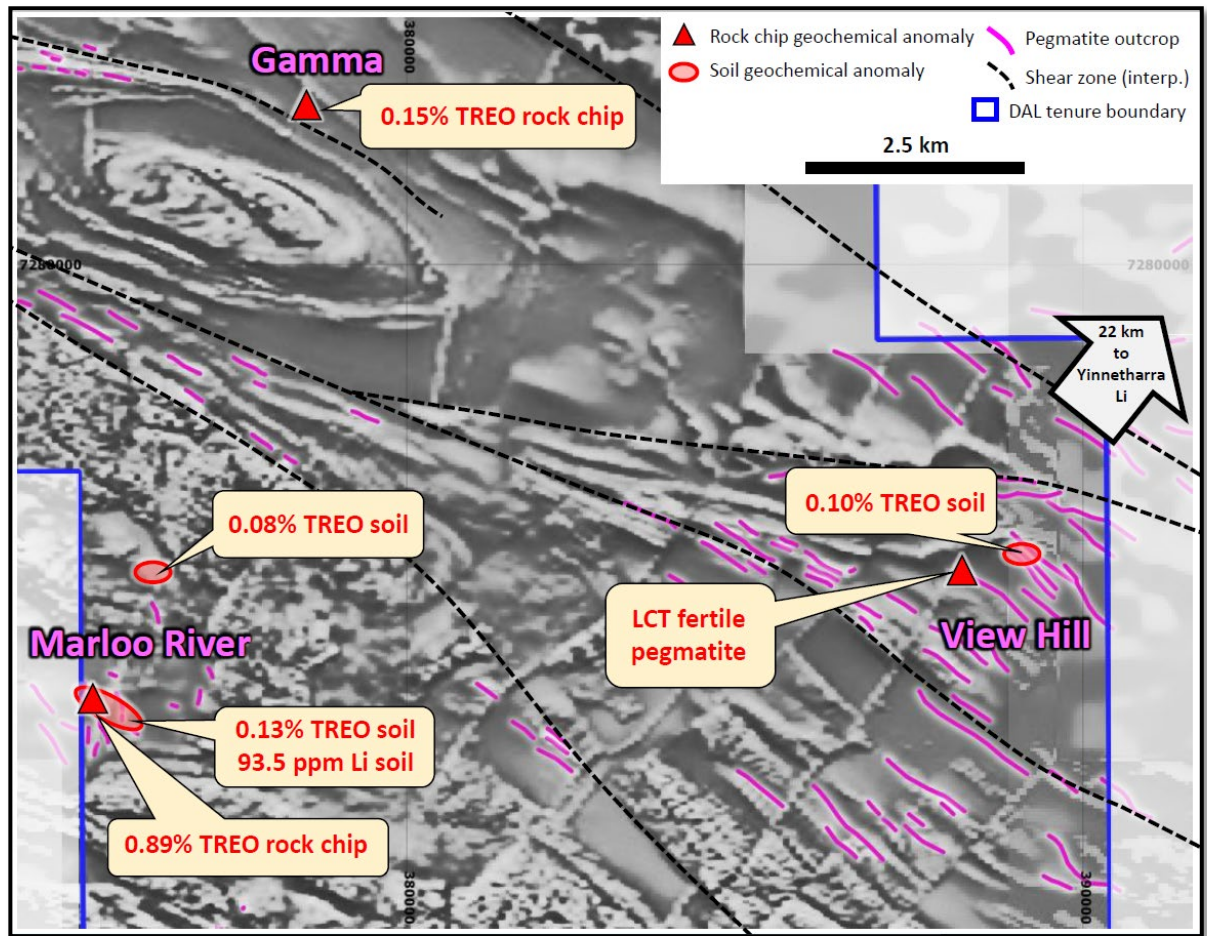


Figure 11: Lyons River Project – Marloo River and location of anomalous TREO geochemical results, and View Hill with location of samples indicating fertile pegmatite and granite areas.

Next Steps at Lyons River

Browns – Pb-Zn-Ag

Dalaroo proposes to carry out Induced Polarisation (IP) geophysical surveys supported with additional close-spaced surface geochemical sampling in the next phase of exploration. The goal of these surveys will be the delineation of a mineralized body at depth that possesses not just the surface geochemical signature, but also the geophysical properties, characteristic of a significant BHT/SEDEX deposit in the Browns prospect area.

EIS co-funded diamond drilling is proposed to better understand the geological transition to more pyritic and phyllosilicate-rich units identified at the southern limits of the AC drill tested area interpreted to represent a transition in the pre-metamorphic protolith stratigraphy to lower energy sedimentary units, considered more prospective for BHT/SEDEX type deposits. The Company plans to drill four deep diamond core holes (Figures 5 & 6) and the EIS-funded drilling will test a highly prospective and a very compelling Pb-Zn-Ag Browns base metal target covering an area of 2km X 1km where shallow AC drilling has delineated Pb-Zn-Ag mineralisation with results of 10m @ 1.04% Pb, 0.49% Zn, 2.85g/t Ag from 37m.

DIRECTORS' REPORT

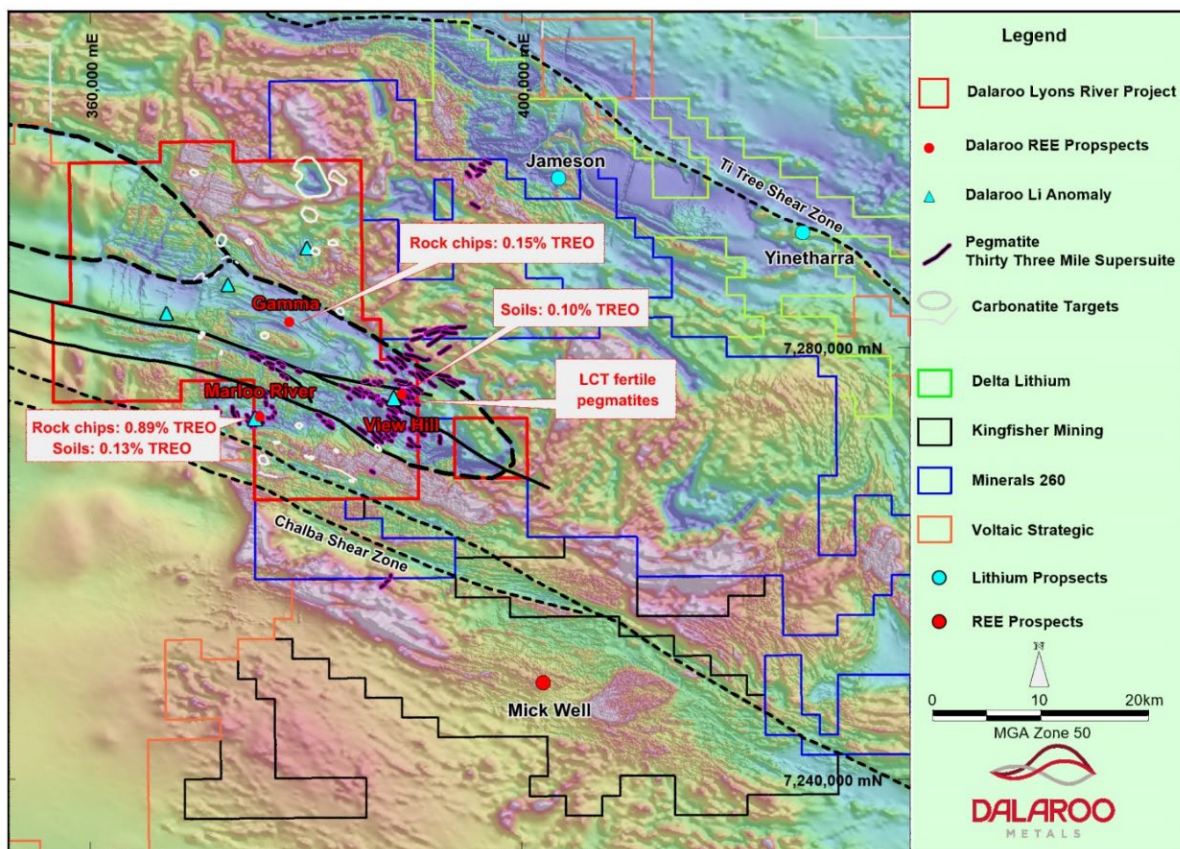


Figure 12: Lyons River Project – New REE carbonatite targets, Marloo River, Gamma and View Hill REE prospects defined in 2022. LCT fertile pegmatite swarm covering 9km by 6km in the south-eastern part of the project and lithium anomalies outlined by Dalaroo.

Goodbody – gold target

The Company intends to extend targeted rock chip sampling to the full 3km length of the Goodbody Au soil anomaly zone, including newly identified mineralized vein systems at the Goodbody West and Central targets. AC drilling is proposed to test the drill defined targets at Goodbody once approvals are in place.

REE Potential

Exploration programs planned include completion of its systematic soil geochemical programs at View Hill and extension soil geochemical programs at Marloo River prospect where a REE soil/rock target has been delineated with peak value of 0.89% TREO (Figure 11).

In addition, at Marloo River, detailed mapping and representative rock chip sampling of pegmatites will be completed across the prospect area. Whole rock geochemistry of the various pegmatite bodies and any significant internal zonation may then be assessed for a potentially large-scale rare metal mineralization system at Marloo River.

First pass drilling programs are proposed to test targets at Marloo River. Results from the systematic soil geochemical and rock chip sampling at View Hill will guide the next phase of exploration activities including drill testing.

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Lithium potential targets

In the View Hill pegmatite zone, regional scale north-south oriented 100m-spaced soil sampling transects will assess geochemical zonation and, therefore, trends in fertility and rare metal/Li prospectivity across the large 9km X 6km area. It is expected that definition of such geochemical trends will aid in vectoring towards high-grade rare metal mineralization at the deposit scale.

Pegmatites in the adjacent Yinnetharra district form part of the intrusive Thirty Three Supersuite ("TTS"), which comprises granite, granitic pegmatites (microcline-muscovite-tourmaline) and rare-metal pegmatites. Field mapping has confirmed that the granites and pegmatites of the TTS have also intruded the host stratigraphy of the Lyons River Project tenements.

Selective reconnaissance rock chip sampling completed at View Hill of the granitic pegmatites has demonstrated whole rock geochemistry that is considered highly fertile for LCT-type pegmatites associated with Li mineralization (Figure 11). Assays from the pegmatite swarm that extends across a 9km X 6km area have returned highly anomalous values of 114 ppm Li, 1638 ppm Rb, 187 ppm Nb and 182 ppm Sn. Rock chip sampling of pegmatites in other targeted pegmatite swarm areas, west of View Hill, has returned significant Ta and Nb values of 116ppm and 329ppm respectively with anomalous Rb of 904ppm.

Namban Project, West Yilgarn Province

Namban is an extensive unexplored ground package (437 km²), located in the mid-north wheatbelt, ~ 150km north-northeast of Perth, adjacent to the regional center of Moora in Western Australia. The project is prospective for magmatic intrusion related Ni-Cu-PGE (Platinum Group Metal) deposits in the newly defined West Yilgarn Ni-Cu Province (Figure 13).

The project tenements cover a strike distance of 60km, adjacent to the crustal-scale Darling Fault, on the western margin of the Archaean Yilgarn Craton. The Company has a 100% interest comprising six tenements extending from the townships of Moora in the south to Three Springs in the north. No modern systematic exploration has ever been undertaken over Namban Project of the Archaean age Jimperding Metamorphic Belt prior to the very recent work by Dalaroo.

Manning Ni-Cu-PGE Prospectivity and Potential

Greenfields exploration activity has increased significantly within the Southwest Terrain of the Archaean Yilgarn Craton since the Goneville/Julimar magmatic Ni-Cu-PGE discovery in April 2020 leading to a re-rating of the mineral prospectivity of the area. Recent exploration programs in this area have returned additional quality greenfield drill intersections, not only for magmatic nickel sulphide as at Caspin Resources Yarawindah Brook Project (Serradella prospect), but also copper (Cu) and gold (Au) at Minerals 260's Moora Project.

The wide variety of mineralisation intersections further underpins the prospectivity of the Southwest Terrain, however the current geological understanding of the area remains in its infancy. It is important to note that the common pathway leading to these new greenfields drill intersections is the testing of surface multi-element surface geochemistry anomalism aligning with coincident geophysical anomalies.

There has been no previous drilling completed at the Manning prospect and its surrounds to date. To the north and south of the Manning prospect, historical exploration was centered on the search for talc deposits in what is termed the "Moora Talc Belt". No modern systematic exploration has been undertaken over Manning for Ni-Cu-PGE until the recent work completed by Dalaroo which defined a PGE anomaly covering an area of 2km X 0.5km. The Pd anomaly with a peak value of 28ppb is coincident with Cu (peak value of 605 ppm) and Ni anomalism (peak value of 206 ppm) (ASX: DAL – see announcement from 11 April 2022).

DIRECTORS' REPORT

IP Survey & Results

Multiple Induced Polarisation (IP) anomalies were outlined that are coincident with the large Ni-Cu-PGE-Au geochemical anomalies at Manning in June 2022.

A follow up Dipole Dipole Induced Polarisation ("DDIP") survey was undertaken at Manning during December 2022. The DDIP survey lines were designed to cover Ni-Cu-PGE-Au auger geochemical anomalies to determine if a sulphide basement source is present that may reflect primary mineralisation.

The DDIP survey consisted of three lines of which were oriented east-west for a total of 3.55km (Figure 13). The field acquisition of the IP data was monitored and then interpreted by Core Geophysics before inversions were conducted converting the pseudo section results to chargeability and resistivity depth. Line 6610975N at the northern end of the DDIP survey returned high chargeability values of up to 40 mV/V (Figures 14 and 15) which correlates well with the eastern anomalous Ni-Cu-PGE Geochem anomaly results (see ASX announcement, 11 April 2022).

Dalaroo completed a diamond drilling program at the Manning prospect during the year (Figure 15). The drilling program was seeking to test significant PGE-Ni-Cu+Au geochemical anomalies that are coincident with IP anomalies with high chargeability values of up to 40 mV/V.

The diamond core holes at Manning were drilled to confirm the presence of magmatic hosted Ni-Cu-PGE-Au and hydrothermal deposits north of Goveville/Julimar and the recent discovery of Cu-Cu mineralisation at Angepena, Mynt and Zest located 10km to the south-east. This work will provide important information on the stratigraphy, lithologies and alteration assemblages related to the identified geochemical and geophysical anomalism at Manning. Subsequently, expanding the current understanding of controls on magmatic Ni-Cu-PGE-Au and hydrothermal/structural Cu-Au hosted mineralisation in this district.

The diamond drill program was partly funded by Dalaroo's successful application in Round 26 of the Exploration Incentive Scheme sponsored by the Government of Western Australia. The grant was for an amount of up to \$175,000 from the Department of Mines, Industry Regulation and Safety ("DMIRS"), structured as a contribution towards 50% of direct drilling cost.

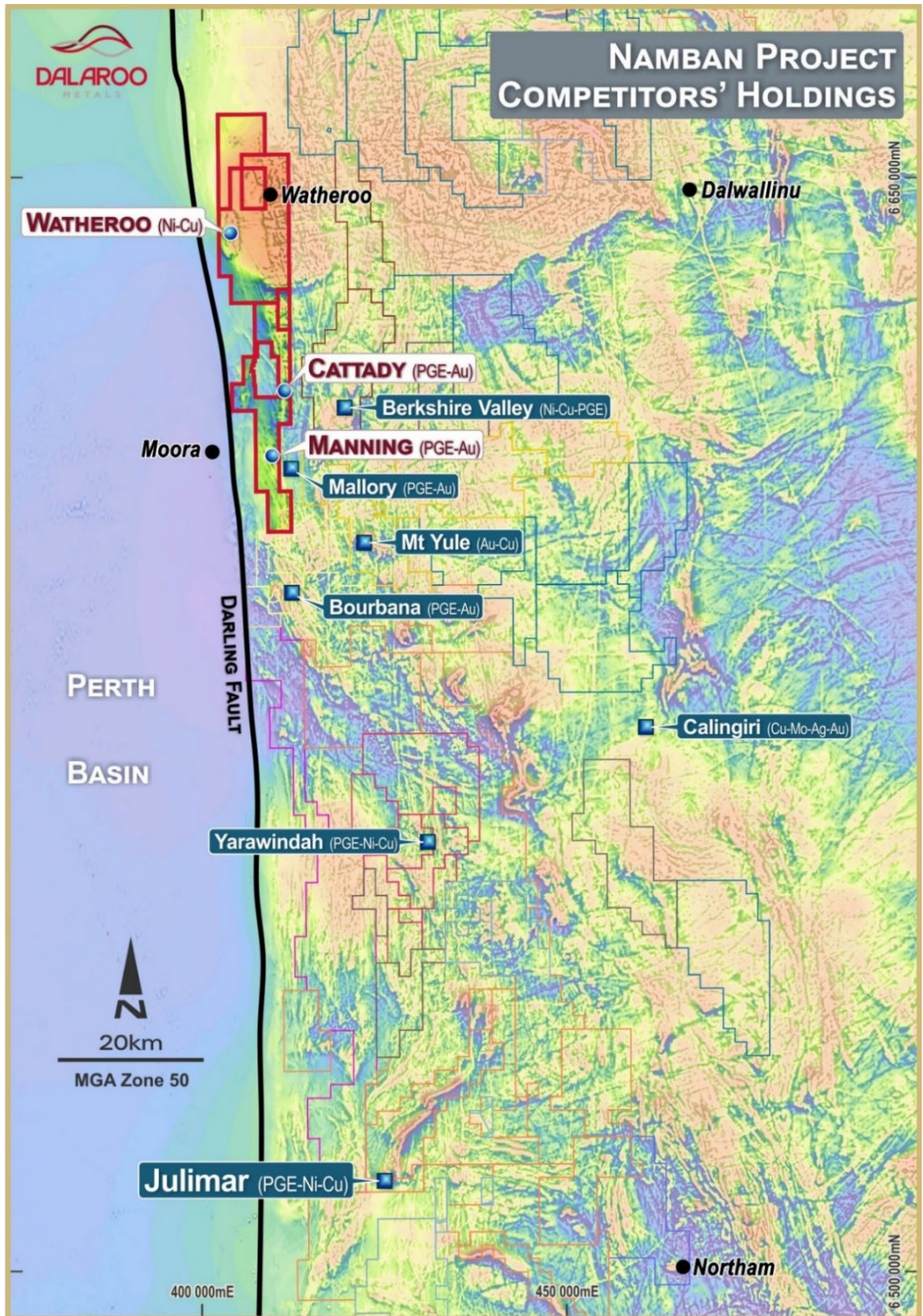


Figure 13: Namban Project Location and competitor map

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DIRECTORS' REPORT

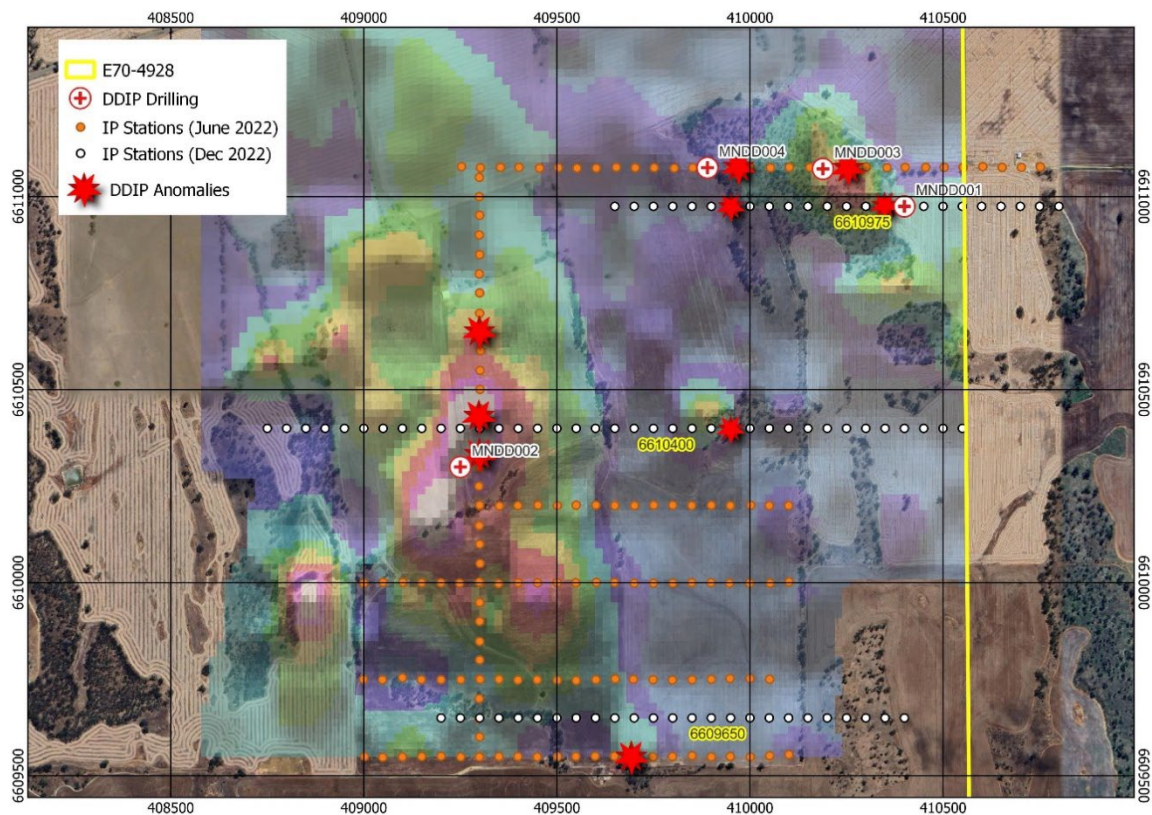


Figure 14: Manning IP surveys with DDIP traverses over Ni geochem anomalies

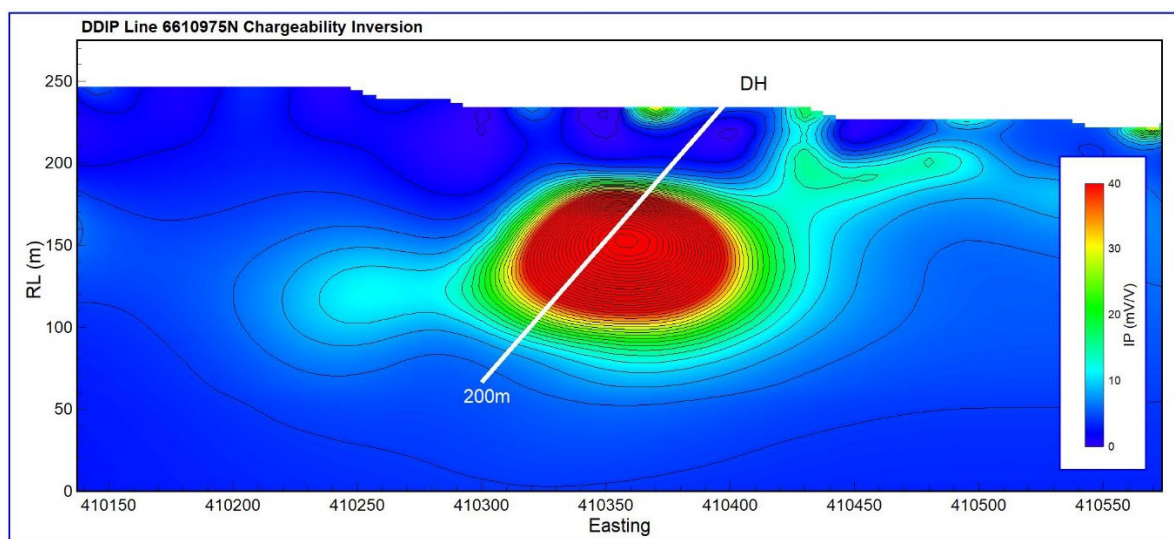


Figure 15: Manning, Line 6610975N – IP inversion results highlighting bedrock chargeability anomaly with proposed drill hole DH.



Figure 16: Diamond drill rig at Manning prospect

Next Steps at Namban Project

Given the significant size of the surface geochemical anomalism (Ni-Cu-PGE*+Au) outlined (measuring 2km X 0.5km) at the Manning Prospect and only four holes drilled using Dalaroo's successful application in Round 26 of the Exploration Incentive Scheme with a grant of \$175,000, further exploration work is warranted.

Future work at the Manning Prospect will include ground gravity surveys, which are expected to complement and expand upon the existing geochemical and geophysical datasets which have helped to delineate encouraging sulphide copper and gold mineralisation.

Gravity surveys will provide additional insight through mapping the local density variation and potentially define deep seated intrusions or sources to the base metal mineralisation and differentiate prospective mafic and gabbroic units from the more recent Proterozoic dolerite dykes which trend through the project and provide targets for potential follow up drill programs.

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DIRECTORS' REPORT

RISKS AND UNCERTAINTIES

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks.

Future funding risks

Whilst the Company has a cash and cash equivalents balance of \$843,411 and net assets of \$1.538 million and is able to continue on a going concern basis, there is risk that the Company may require substantial additional financing in the future to sufficiently fund potential exploration and development resource acquisition, general working capital and any other longer-term objectives. The Company has the ability to control the level of its current operations and hence the level of its expenditure over the next 12 months. Management is confident that they can reduce the level of expenditure in order to retain appropriate cash balances. Management remains very diligent in their ongoing monitoring of cash balances day by day. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds when required, its operations could be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Taxation risks

Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of the Company, Shareholder returns, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase the Company's tax liabilities. The Company utilises expert consultants in relation to taxation in order to determine appropriate taxation treatment.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Company is committed to preventing and reducing cyber security risks through outsourced IT management to a reputable services provider.

Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously evolving. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term. The Company has in place business continuity plans and procedures to help manage the key risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective. Argo Exploration

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year.

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
D Quinlivan	2,100,000	1,000,000
H Kehal	350,000	175,000
R Beeck	900,000	400,000

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held either in person or through circular resolution during the year ended 30 June 2023, and the number of meetings attended by each Director are as follows:

Director	Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
D Quinlivan	16	15	2	2	2	2
H Kehal	17	17	-	-	-	-
R Beeck	17	17	2	2	2	2

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

As at the date of this report 24,000,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
8,000,000	25 cents each	28 September 2025
5,000,000	25 cents each	28 September 2024
11,000,000	8 cents each	5 June 2025

The 13,000,000 options expiring on 28 September 2024 and 2025 on issue at the date of this report are subject to separate ASX restrictions.

During the financial year the Company granted no unlisted options over unissued shares. After the end of the financial year the Company issued 11,000,000 options exercisable at \$0.08 each and expiring on 5 June 2025.

No options have been cancelled during, or since the end of, the financial year.

No shares have been issued on the exercise of options during, or since the end of the financial year.

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Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

ISSUED CAPITAL

At the date of this report, the number of fully paid ordinary shares on issue were as follows:

	Number of Shares on Issue	
	2023	2022
Ordinary fully paid shares	76,000,000	54,000,000

DIVIDENDS

No dividend has been paid and no dividend is recommended for the financial year ended 30 June 2023 (2022: Nil).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 27 July 2023 the Company conducted a General Meeting which provided shareholder approval to issue 8,550,000 shares to investors and directors under Tranche 2 of the placement that was announced on 30 May 2023 and to issue 11 million options exercisable at \$0.08 and expiring on 5 June 2025.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to maintain exploration programs at its Namban and Lyons River Projects in Western Australia.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

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DIRECTORS' REPORT

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company has a Remuneration Committee and as such all remuneration matters are considered by the Committee and recommendations provided by it to the Board. No Member of the committee deliberates or considers such matters in respect of their own remuneration.

The Remuneration Committee is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors fees, payable in aggregate are currently set at \$300,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

The performance indicators framework is still to be finalised by the Board.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company plans to provide long term incentives to Directors and Employees pursuant to the Dalaroo Employee Securities Incentive Plan, which will be tabled for approval by shareholders.

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DIRECTORS' REPORT

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their year of office (if applicable). Payment is made in lieu of any notice year if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr David Quinlivan as Non-Executive Chairman the Company will pay him \$65,000 plus statutory superannuation per annum.

In consideration of the services provided by Mr Robert Beeck as Non-Executive Director the Company will pay him \$45,000 plus statutory superannuation per annum.

Messrs Quinlivan and Beeck are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the financial year ended 30 June 2023.

Engagement of Executive Director

The Company has entered into an executive service agreement with Mr Harjinder Kehal on the following material terms and conditions:

Mr Kehal's service agreement with the Company, in respect of his engagement as Managing Director, is effective for three years from 28 September 2021. Mr Kehal will receive a base salary of \$250,000 per annum plus statutory superannuation per annum. Under the terms of the service agreement, if the Company terminates Mr Kehal's employment, other than due to illness or Summary Termination, the Company is required to pay Mr Kehal six (6) months remuneration (less taxation) in full and final satisfaction of all claims against the Company.

The Managing Director may also receive an annual short term performance based bonus which may be calculated as a percentage of his current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-Executive Directors.

The Managing Director may, subject to shareholder approval, participate in the Dalaroo Employee Securities Incentive Plan and other long term incentive plans adopted by the Board.

Short Term Incentive Payments

Each year, the Non-Executive Directors will set the Key Performance Indicators (KPI's) for the Executive Director. The KPI's are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

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Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short term incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the short term Incentive, or a lesser amount depending on actual performance achieved will be paid to the Executives on a basis to be finalised by the Board.

No short term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Dalaroo under the terms of the Company's constitution.

Company Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial years and previous financial years:

	2023	2022
Loss for the year attributable to shareholders	\$2,761,619	\$2,666,980
Closing share price at 30 June	\$0.080	\$0.087

As an exploration company the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and the acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr David Quinlivan	Non-Executive Chairman
Mr Harjinder Kehal	Managing Director
Mr Robert Beeck	Non-Executive Director
John Arbuckle	Company Secretary and CFO

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

2023	Base Salary	Short Term Incentive	Superannuation Contributions	Accrued Leave	Value of Perf. Rights	Total	Options as Proportion of Remuneration
	\$	\$	\$	\$	\$	\$	%
D Quinlivan	65,000	-	6,825	-	25,782	97,607	-
H Kehal	250,000	-	26,250	23,033	32,227	331,510	-
R Beeck	45,000	-	4,725	-	25,782	75,507	-
J. Arbuckle ¹	54,000	-	5,670	-	-	59,670	-
Total	414,000	-	43,470	23,033	83,791	564,294	

Note: (1) Mr Arbuckle commenced on 31 August 2023

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DIRECTORS' REPORT

2022	Base Salary	Short Term Incentive	Superannuation Contributions	Accrued Leave	Value of Perf. Rights	Total	Options as Proportion of Remuneration
	\$	\$	\$	\$	\$	\$	%
D Quinlivan ¹	49,489	-	4,949	-	-	54,437	-
H Kehal ^{1,2}	229,716	-	19,034	16,553	-	265,303	-
R Beeck ¹	34,261	-	3,426	-	-	37,688	-
Total	313,466	-	27,409	16,553	-	357,428	-

Note: (1) All remuneration commenced on 28 September 2021
(2) Mr Kehal received fees of \$39,375 for services provided until 28 September 2021.

Details of Performance Related Remuneration

During the year, no short term incentive payments were paid to executive directors:

No performance indicators have been set for the 2024 financial year.

Performance Rights Granted as Remuneration

3,900,000 performance rights have been issued pursuant to the terms and conditions of the Employee Securities Incentive Plan. The vesting conditions for each of the class of performance rights is detailed below:

Class		Key Vesting conditions
1	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.174.
2	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.196.
3	1,300,000	Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the rules of the Plan.

The Incentive Performance Rights to be issued to the Key Management Personnel were independently valued, using the Parisian Barrier1 Model option pricing model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

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DIRECTORS' REPORT

Input	
Number of Performance Rights	3,900,0000
Share Price at Grant Date	\$0.11
Performance Milestones	<p>(Class 1): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.174.</p> <p>(Class 2): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.196.</p> <p>(Class 3): Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the Plan.</p>
Vesting Period	943 Days
Expiry Period	1,673 Days
Dividend Yield	Nil
Volatility	92%
Risk-free interest rate	3.10% per annum
Estimated value per Performance Right	<p>(Class 1): \$0.0903</p> <p>(Class 2): \$0.0864</p> <p>(Class 3): \$0.1100</p>
Total value of Performance Rights	\$372,710

No Performance Rights were exercised by Key Management Personnel during the financial year.

Exercise of Options Granted as Remuneration

During the year, no ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Equity Instrument Disclosures Relating to Key Management Personnel

Performance Rights Holdings

Key Management Personnel have the following interests (direct and indirect) in performance rights over unissued shares of the Company:

2023 Name	Balance at Start of the Year	Received During the Year as Remuneration	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
D Quinlivan	-	1,200,000	-	1,200,000	-
H Kehal	-	1,500,000	-	1,500,000	-
R Beeck	-	1,200,000	-	1,200,000	-
J Arbuckle	-	-	-	-	-

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2022 Name	Balance at Start of the Year	Received During the Period as Remuneration	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
D Quinlivan	-	-	-	-	-
H Kehal	-	-	-	-	-
R Beeck	-	-	-	-	-

Share Holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting year as compensation.

2023 Name	Balance at Start of the Year	Received During the Year on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
D Quinlivan ¹	100,000	-	-	100,000
H Kehal ¹	-	-	-	-
R Beeck ^{1, 2}	100,000	-	-	100,000
J Arbuckle	-	-	-	-

Note: (1) These KMP's are directors of Serena Minerals Limited which holds 11,499,999 fully paid ordinary Shares in the Company.
(2) This KMP is a director of Shenton Resources Limited which holds 11,224,999 fully paid ordinary Shares in the Company.

2022 Name	Balance at Start of the Year	Received During the Period on Exercise of Options	Other Changes During the Year	Balance at the End of the Year
D Quinlivan ¹	-	-	100,000	100,000
H Kehal ¹	-	-	-	-
R Beeck ^{1, 2}	-	-	100,000	100,000

Note: (1) These KMP's are directors of Serena Minerals Limited which holds 11,499,999 fully paid ordinary Shares in the Company.
(2) This KMP is a director of Shenton Resources Limited which holds 11,224,999 fully paid ordinary Shares in the Company.

Loans Made to Key Management Personnel

No loans were made to key management personnel, including personally related entities during the reporting year.

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DIRECTORS' REPORT

Other Transactions with Key Management Personnel

Corporate office rental expense of \$151,773 were paid to Borden Holdings Pty Ltd, as owners of the property, to which David Quinlivan is a director. Refer to Note 19 for further information.

There were no other transactions with key management personnel.

End of Remuneration Report

OFFICERS' INDEMNITIES AND INSURANCE

During the year, the Company did not pay an insurance premium to insure officers of the Company. The Company has not provided any insurance for the auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

During the year Crowe Perth the Company's auditor, has not performed any other services in addition to their statutory duties, other than as stated below.

Total remuneration paid to auditors during the financial year:	2023	2022
	\$	\$
Audit and review of the Company's financial statements	29,250	19,800
Audit Form 5 Operation Report	2,500	-
Total	31,750	19,800

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

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DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

Dated at Perth this 27th day of September 2023.

A handwritten signature in black ink, appearing to read 'David Quinlivan', with a stylized flourish at the end.

David Quinlivan
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Dalaroo Metals Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Perth



Cyrus Patell
Partner

Signed at Perth, 27 September 2023

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue		<u>95,227</u>	2,350
Total income		95,227	2,350
Employee expenses		(549,003)	(456,908)
Professional fees		(73,783)	(40,292)
Finance costs		(6,958)	(11,310)
IPO & Related costs		(266)	(244,853)
Depreciation		(86,511)	(78,278)
Share Based Payments		(83,791)	-
Marketing & Promotion		(36,476)	(40,113)
Corporate and administration expenses		(242,048)	(129,646)
Exploration costs expensed		<u>(1,489,092)</u>	<u>(1,667,930)</u>
Loss before income tax		(2,472,701)	(2,666,980)
Income tax benefit	5	<u>-</u>	-
Loss after tax		<u>(2,472,701)</u>	<u>(2,666,980)</u>
Other comprehensive income		<u>-</u>	-
Total comprehensive loss for the year		<u>(2,472,701)</u>	<u>(2,666,980)</u>
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic/Diluted earnings/(loss) cents per share	26	<u>(4.49)</u>	<u>(5.57)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	6	843,411	1,675,897
Financial assets	7	-	1,000,000
Trade and other receivables		39,822	50,563
Prepayments		22,129	12,121
Total current assets		905,362	2,738,581
Non-current assets			
Property, plant & equipment	8	50,514	6,966
Right of use assets	9	77,354	154,709
Exploration & evaluation assets	10	971,759	971,759
Total non-current assets		1,099,627	1,133,434
Total assets		2,004,989	3,872,015
Current liabilities			
Trade and other payables	11(a)	316,457	404,648
Lease liabilities	12	81,831	77,270
Employee benefits provision	11(b)	39,485	17,118
Shareholder advances	13	27,000	-
Total current liabilities		464,773	499,036
Non-current liabilities			
Lease liabilities	12	-	81,831
Employee benefits provisions	11(b)	1,692	249
Total non-current liabilities		1,692	82,080
Total liabilities		466,465	581,116
Net assets		1,538,524	3,290,899
Equity			
Issued capital	14	6,669,159	6,032,624
Accumulated losses	16	(5,219,426)	(2,746,725)
Reserves	15	88,791	5,000
Total equity		1,538,524	3,290,899

The above statement of financial position should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Issued Capital \$	Accumulated Losses \$	Share Payment Reserve \$	Total \$
2022				
Balance at 1 July 2021	1,346,002	(79,745)	-	1,266,257
Comprehensive Income:				
Loss for the year	-	(2,666,980)	-	(2,666,980)
Shares issued (net of costs)	4,686,622	-	-	4,686,622
Proceeds on issue of Options			5,000	5,000
Balance at 30 June 2022	6,032,624	(2,746,725)	5,000	3,290,899
2023				
Balance at 1 July 2022	6,032,624	(2,746,725)	5,000	3,290,899
Comprehensive Income:				
Loss for the year	-	(2,472,701)	-	(2,761,620)
Shares issued (net of costs)	636,535	-	-	636,535
Share based payments			83,791	372,710
Balance at 30 June 2023	6,669,159	(5,219,426)	88,791	1,538,524

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		2023	2022
	Note	\$	\$
Cash flows from operating activities			
Interest received		8,791	2,350
Interest expense		(228)	(272)
Receipts from customers		4,380	-
Funds received from Government Grants		82,057	-
Payments to suppliers and employees (corporate)		(837,745)	(962,477)
Payments to suppliers and employees (exploration)		(1,616,572)	(1,365,369)
Net cash outflow from operating activities	25	(2,359,317)	(2,325,768)
Cash flows from investing activities			
Payments for exploration and evaluation (capitalised)		-	(219)
Payments for property, plant and equipment		(52,705)	(7,890)
Receipts of/(Payments for) term deposits		1,000,000	(1,000,000)
Net cash outflow from/(used in) investing activities		947,295	(1,008,109)
Cash flows from financing activities			
Repayment of borrowings		-	-
Proceeds from borrowings		27,000	-
Proceeds from the issue of shares		672,500	5,005,000
Payments for share issue costs		(35,964)	(313,378)
Payments for Lease Liabilities		(84,000)	(84,000)
Net cash inflow from financing activities		579,536	4,607,622
Net (decrease)/increase in cash held		(832,486)	1,273,745
Cash at the beginning of the financial year	6	1,675,897	402,152
Cash at the end of the financial year	6	843,411	1,675,897

The above statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the reporting year, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These financial statements reflect Dalaroo Metals Ltd as an individual entity. They are prepared and presented in Australian Dollars which is the functional and presentation currency of the company.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(b) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is written off as incurred, other than tenement acquisition costs which are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale or where exploration activities in the area are continuing and have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Business Combinations / Asset Acquisitions

The Company applies the acquisition method when the assets acquired and liabilities assumed constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or other income from ordinary activities. A business will generally consist of inputs and processes applied to those inputs. In a business combination all transaction costs are expensed.

If the assets acquired do not constitute a business, the Company accounts for the transaction as an asset acquisition, whereby the asset and liabilities are assigned carrying values based on their relative fair values in an asset purchase transaction. No deferred taxes will arise in relation to the acquired assets or liabilities assumed as a result of the application of the initial exemption for deferred tax under AASB 112. No goodwill arises on the acquisition. Transaction costs in relation to asset acquisitions are capitalized.

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FOR THE YEAR END 30 JUNE 2023

(e) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis, over the unexpired year of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(g) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Plant and Equipment	20-25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

(h) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or air value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting year as to whether the financial instruments credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit loss.

(j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

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FOR THE YEAR END 30 JUNE 2023

risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Any goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Share Based Payments

For equity settled share-based payment transactions with parties other than employees (and those providing similar services), the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be reliably estimated. If the Company cannot reliably estimate the fair value of the goods or services received, it measures their fair value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

For transactions measured by reference to the fair value of the equity instruments granted, the Company measures the fair value of the equity instruments granted at the measurement date. For transactions with parties other than employees (and those providing similar services), the measurement date is the date that the Company obtains the goods or the counterparty renders the service.

(l) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Income Tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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NOTES TO THE FINANCIALS STATEMENTS
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Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(n) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(o) Trade Receivables and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money.

(p) Trade Creditors and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(r) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

(s) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

(t) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(u) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(v) Comparative Information

Comparative financial information for the previous reporting period is presented for the Company for the full year 30 June 2022.

(w) Rounding

All amounts presented in the financial statements have been rounded to the nearest dollar.

(x) Going concern basis for preparation of financial statements

This financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the year ended 30 June 2023, the Company incurred a net loss after tax of \$2,472,701 (2022: \$2,666,980), had cash outflows from operating and investing activities of \$1,412,022 (2022: \$3,333,877) and net working capital of \$440,589 (2022: \$2,239,545). In August 2023 the Company completed tranche 2 of its June capital raising and received \$400,500. The Directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate based upon:

- The Company's ability to raise funds from external sources to meet ongoing working and investing capital requirements; and
- The Company's ability to manage the timing of cash flows to meet the committed obligations of the business as and when they fall due.

Should the Company be unable to raise the amount of funding required, there is material uncertainty that the Company will be able to continue as a going concern, and therefore whether it will be able to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts stated in the financial report.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Note 2 Financial Risk Management

The Company has exposure to a variety of risks arising from daily operations. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and Other Receivables

The current nature of the business activity of the Company does not result in trading receivables. Accordingly, the Company's exposure to credit risk in relation to trade receivables is not material.

Cash Deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Company currently has no significant concentrations of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest Rate Risk

The Company has cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements, the Company does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Foreign Exchange Risk

The Company does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 3 Critical Accounting Estimates and Assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to these amounts. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and Evaluation

The future recoverability of capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit areas of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact future recoverability include the level of reserves and resources, future technological changes, future legal changes (including changes to environmental obligations), future changes to rights to tenure and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will impact profit and loss in the year in which this determination is made.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date.

Factors considered include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Accounting for share based payments

The values of amounts recognised in respect of share-based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 15 for details of inputs into option pricing models in respect of options issued during the reporting period.

Note 4 Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 5 Income Tax

	2023 \$	2022 \$
a) Income tax expense		
Major component of tax expense for the period:		
Current tax	-	-
Deferred tax	-	-
b) A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2023 and 30 June 2022 is as follows:		
Loss from continuing operations before income tax expense	(2,472,701)	(2,666,980)
Tax at the Australian rate of 25% (2022:30%)	(618,175)	(800,094)
Section 40-880	-	37,327
Non-deductible expenses	20,948	4,261
Temporary differences and tax loss not brought to account as a deferred tax asset	597,227	758,506
Income tax expense	-	-
c) Deferred tax assets and (liabilities)		
Exploration expenditure	(62,505)	(41,630)
Carry forward revenue losses	1,343,105	808,663
Section 40-880 costs	98,225	141,881
Prepayments	(5,532)	-
Property, plant and equipment	(12,629)	-
Right of Use Assets	(19,339)	-
Lease Liability – current	20,458	-
Provisions	10,294	5,210
Other	6,188	6,847
Net deferred tax benefit not recognised at 25% (2022:30%)	1,378,265	920,971

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 6 Current Assets - Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	843,411	1,675,897
	843,411	1,675,897

(a) Reconciliation to Cash at the End of the Year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	843,411	1,675,897
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(b) Cash Balances Not Available for Use

As at 30 June 2023 there are no amounts included in cash and cash equivalents that are pledged as guarantees or otherwise unusable by the Company. (2022: nil)

Note 7 Current Assets - Financial Assets

	2023	2022
	\$	\$
Term Deposit	-	1,000,000
	-	1,000,000

Note 8 Non Current Assets – Property Plant and Equipment

	2023	2022
	\$	\$
<i>Plant and Equipment</i>		
Cost	60,595	7,890
Accumulated depreciation	(10,081)	(924)
Net carrying amount	50,514	6,966
<i>Reconciliation</i>		
Carrying amount at beginning of year	6,966	-
Additions	52,705	7,890
Depreciation charge for the year	(9,157)	(924)
Carrying amount at end of year	50,514	6,966

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 9 Non Current Assets – Right of Use Assets

	2023 \$	2022 \$
Leases		
Carrying value at the start of the period	154,709	-
Right of Use Asset recognised during the period	-	232,063
Depreciation charged	(77,355)	(77,354)
Carrying value at 30 June	77,354	154,709

A right of use asset has been recognised in respect of the Company's lease of its office at Suite 1, 346 Barker Road, Subiaco, Western Australia. Refer to Note 12 for details of the corresponding lease liability arising from the abovementioned lease. The lease is for a term of three years commencing 1 July 2021.

Under the terms of the lease arrangement, the Company is required to pay a fixed monthly charge of \$6,000 (excluding GST) for the office accommodation and \$1,000 (excluding GST) for exclusive car bay usage.

Rent Review dates occur on 1 July of each year. The amounts payable following the Rent Review dates will be the greater of the fixed rental (immediately payable prior to the Rent Review dates) adjusted for CPI or the fixed rental (immediately payable prior to the Rent Review dates) increased by 3%.

The lease has an additional three-year option extending the lease term to 30 June 2027. The Company is not reasonably certain that the lease option will be taken up and has therefore determined the non-cancellable period for which the company has the right to use the underlying asset to be three years to 30 June 2024.

Note 10 Exploration and Evaluation Assets

	2023 \$	2022 \$
Opening balance at start of year	971,759	971,540
Acquisitions during the year	-	219
Closing balance at 30 June 2023	971,759	971,759

Note 11 Current Liabilities

	2023 \$	2022 \$
(a) Trade and other payables		
Trade payables	288,880	381,426
Other payables	14,520	13,656
Other payables – related parties	13,057	9,566
	316,457	404,648

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Trade and other payables include both goods and services provided to the company prior to the end of the reporting period, which repaid unpaid. Trade creditors are generally paid within 30 days of recognition.

Other payables include superannuation and pay as you go withholding obligations which are paid and met under statutory guidelines.

	2023 \$	2022 \$
--	------------	------------

(b) Employee Benefits Provisions

Annual leave provision (<i>current</i>)	39,485	17,118
Long service leave provision (<i>non-current</i>)	1,692	249
	<u>41,177</u>	<u>17,368</u>

Long service leave is recognised in the provision for employee benefits and measured at present value of expected future payments in respect of services provided by employees to the end of the reporting period using the projected unit credit method.

Note 12 Lease Liabilities

	2023 \$	2022 \$
<i>Corporate Office Lease</i>		
Current Liability	81,831	77,270
Non-Current Liability	-	81,831
Fair value at 30 June	<u>81,831</u>	<u>159,101</u>
<i>Reconciliation</i>		
Opening Balance	159,101	-
Additions	-	232,063
Lease payments	(84,000)	(84,000)
Finance Expenses	6,730	11,038
Carrying amount at end of year	<u>81,831</u>	<u>159,101</u>
<i>Maturity of Lease Liabilities:</i>		
1 year or less	81,831	77,270
Between 1 and 2 years	-	81,831
Between 2 and 5 years	-	-
Over 5 years	-	-
	<u>81,831</u>	<u>159,101</u>

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 13 Shareholder Advances

	2023 \$	2022 \$
Shareholder advances	27,000	-
	27,000	-

These advances represents funds received from investors in respect of Tranche 2 of the capital raising that was announced on 30 May 2023 and was subject to approval by shareholders at the General Meeting conducted on 27 July 2023. After the end of the financial year all of these monies were applied in respect of fully paid ordinary shares issued on 7 August 2023. There is no interest payable on these funds held as loans.

Note 14 Issued Capital

a) Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

	2023		2022	
	No	\$	No	\$

b) Share capital

Issued share capital	67,450,000	6,669,159	54,000,000	6,032,624
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c) Share Movements During the Year

Balance at the start of the financial year	54,000,000	6,032,624	29,000,000	1,346,002
Shares issued on IPO	-	-	25,000,000	5,000,000
Shares issued on Placement	13,450,000	672,500	-	-
Less share issue costs	-	(35,965)	-	(313,378)
Balance at end of financial year	67,450,000	6,669,159	54,000,000	6,032,624

On 6 June 2023 the Company completed Tranche One placement of 13,450,000 fully paid ordinary shares at an issue price of \$0.05 per share before costs.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 15 Reserves

	2023 \$	2022 \$
a) Options		
Opening balance at start of year	5,000	-
Issued subject to IPO Prospectus	-	5,000
Closing balance at 30 June 2023	5,000	5,000
b) Share based payments		
Opening balance at start of year	-	-
Performance rights issued to directors	83,791	-
Closing balance at 30 June 2023	83,791	-
Total as at 30 June 2023	88,791	5,000

a) Options Reserve

At the end of the financial year 13,000,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
5,000,000	25 cents each	28 September 2024
8,000,000	25 cents each	28 September 2025

13,000,000 options on issue at the date of this report are vested and exercisable, but subject to separate ASX escrow restrictions.

No options have been cancelled during, or since the end of, the financial year.

No shares have been issued on the exercise of options during, or since the end of the financial year.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Movements in the number of options on issue during the year are as follows:

	2023		2022	
	No	\$	No	\$
Options on issue at the start of the financial period	13,000,000	5,000	8,000,000	-
Options issued to IPO Lead broker pursuant to the prospectus dated 16 August 2021	-	-	5,000,000	5,000
	13,000,000	5,000	13,000,000	5,000

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FOR THE YEAR END 30 JUNE 2023

Reconciliation of Movement of Options Over Unissued Shares During the Year Including Weighted Average Exercise Price (WAEP)

	2023		2022	
	No	WAEP (cents)	No	WAEP (cents)
Opening balance	13,000,000	25.0	8,000,000	25.0
Options issued during the year	-	-	5,000,000	25.0
Options exercised during the year	-	-	-	-
Options cancelled and expired unexercised during the year	-	-	-	-
Options outstanding at the end of the year	13,000,000	25.0	13,000,000	25.0

b) Share Based Payments Reserve

The Dalaroo Metals Ltd Employees Securities Incentive Plan ("the Plan") was approved at the AGM held on 8 December 2021 by the shareholders of the Company.

All eligible Directors, executive officers and employees of Dalaroo Metals Ltd who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

At the date of this report 3,900,000 performance rights have been issued pursuant to the terms and conditions of the Plan. The vesting conditions for each of the class of performance rights is detailed below:

Class		Key Vesting conditions
1	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.174.
2	1,300,000	The volume weighted average price per Share, calculated over a period of 20 consecutive trading days (VWAP) being equal to or greater than \$0.196.
3	1,300,000	Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the rules of the Plan.

The Incentive Performance Rights to be issued to the Key Management Personnel were independently valued, using the Parisian Barrier 1 Model option pricing model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

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NOTES TO THE FINANCIALS STATEMENTS
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Input	
Number of Performance Rights	3,900,0000
Share Price at Grant Date ¹	\$0.11
Performance Milestones	<p>(Class 1): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.174.</p> <p>(Class 2): The 20 Day volume weighted average price of Shares, calculated over consecutive days in which the Shares have traded (VWAP) being equal to or greater than \$0.196.</p> <p>(Class 3): Eligible participants remaining with the Company until at least 30 June 2025 (Vesting Date), subject to the discretion of the Board under the Plan.</p>
Vesting Period ²	943 Days
Expiry Period ³	1,673 Days
Dividend Yield	Nil
Volatility ⁴	92%
Risk-free interest rate ⁵	3.10% per annum
Estimated value per Performance Right	<p>(Class 1): \$0.0903</p> <p>(Class 2): \$0.0864</p> <p>(Class 3): \$0.1100</p>
Total value of Performance Rights	\$372,710

Notes:

- Based on closing price on 30 November 2022 the valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- Determined from the grant date of the Performance Rights to the expiry date, being 30 November 2025.
- Determined from the proposed grant date of the Performance Rights to the expiry date, being 30 November 30 November 2027.
- Estimated based on Hoadley's GARCH long-run forecast and Exponentially Weighted Moving Average volatility models using share price data over the historical period since the Company commenced trading on the ASX to 30 November 2022. The Independent Valuer sense checked this by analysing the 1-year, 2-year, 3-year and 5-year volatilities of comparable companies both in the nickel/base metal sector as well as the PGE sector separately and considered the volatility estimate used was not unreasonable for an approximate 3-year vesting period.
- Continuously compounded rate based on the interpolated two-year and three-year Australian Government bond yields as at 30 November 2022.

Movements in the number of Performance Rights on issue during the year are as follows:

	2023		2022	
	No	\$	No	\$
Performance Rights on issue at the start of the financial period	-	-	-	-
Issued during the year	3,900,000	88,791	-	-
	3,900,000	88,791	-	-

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NOTES TO THE FINANCIALS STATEMENTS
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Note 16 Accumulated Losses

	2023 \$	2022 \$
Balance at the beginning of the year	(2,746,725)	(79,745)
Profit/(Loss) for the year	(2,472,701)	(2,666,980)
Balance at the end of the year	(5,519,426)	(2,746,725)

Note 17 Financial Risk Management

Credit Risk

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

Impairment Losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting year.

Interest Rate Risk

At the reporting date the interest profile of the Company's interest-bearing financial instruments was:

	2023 Carrying Amount \$	2022 Carrying Amount \$
Variable rate instruments		
Cash and cash equivalents	843,411	1,675,897
Fixed rate instruments		
Financial Assets	-	1,000,000

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
2023				
Variable rate instruments	8,434	(8,434)	8,434	(8,434)
Fixed rate instruments	-	-	-	-
2022				
Variable rate instruments	16,759	(16,759)	16,759	(16,759)
Fixed rate instruments	10,000	(10,000)	10,000	(10,000)

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at the reporting date the company has total financial liabilities of \$316,457 (2022: \$404,468) which comprised of non-interest bearing trade creditors and accruals with a maturity of less than six months.

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2023		2022	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash and cash equivalents	843,411	843,411	1,675,897	1,675,897
Financial Assets	-	-	1,000,000	1,000,000
Receivables	39,822	39,822	50,564	50,564
Trade and Other payables	(303,400)	(303,400)	(395,082)	(395,082)
Shareholder advances	(27,000)	(27,000)	-	-
Related Party payables	(13,057)	(13,057)	(9,566)	(9,566)
	539,776	539,776	2,321,813	2,321,813

Note 18 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2023 (2022: Nil).

The Company has no franking credits available as at 30 June 2023 (2022: Nil).

Note 19 Key Management Personnel Disclosures

(a) Directors and Key Management Personnel

The following persons were directors or key management personnel of Dalaroo Metals Ltd during the financial year:

- (i) *Chairman – non-executive*
David Quinlivan
- (ii) *Executive director*
Harjinder Kehal, Managing Director
- (iii) *Non-executive director*
Robert Beeck
- (iv) *Company Secretary*
John Arbuckle

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

(b) Key Management Personnel Compensation

A summary of total compensation paid to key management personnel during the financial year is as follows:

	2023 \$	2022 \$
Total short-term employment benefits	437,033	330,019
Total share based payments	83,791	-
Total post-employment benefits	43,470	27,409
	564,294	357,428

(c) Other Transactions with Key Management Personnel

On 19 August 2021, the Company entered into a three year lease agreement, commencing 1 July 2021, with Borden Holdings Pty Ltd, an entity associated with Mr David Quinlivan, in respect of the lease for the Company's offices. The annual cost of the lease, inclusive of variable outgoings and excluding GST is approximately \$151,000 per annum. The annual rental component under the arrangement is \$84,000 per annum (exclusive of GST). Under the terms of the lease, the Company has an option to extend the lease term for a further three years, commencing 1 July 2024. The lease is considered to be entered into on normal commercial terms.

	2023 \$	2022 \$
Payments to Related Parties:		
Borden Holdings Pty Ltd	151,773	134,250
	151,773	134,250

Note 20 Remuneration of Auditors

	2023 \$	2022 \$
Audit and review of the Company's financial statements	29,250	19,800
Other services – Audit Form 5 Operation Report	2,500	-
	31,750	19,800

Note 21 Contingencies

(a) Contingent liabilities

There were no material contingent liabilities as at 30 June 2023 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to certain areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(b) Contingent assets

There were no contingent assets as at 30 June 2023 (2022: Nil).

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 22 Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Company.

As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve months year amount to \$828,000 (2022: \$786,000).

(b) Contractual Commitments

There are no material contractual commitments as at 30 June 2023 (2022: Nil) not otherwise disclosed in the financial statements.

Note 23 Related Party Transactions

Transactions with Directors during the year are disclosed at Note 19 – Key Management Personnel.

There are no other related party transactions, other than those already disclosed elsewhere in this financial report.

Note 24 Events Occurring After the Balance Sheet Date

On 27 July 2023 the Company conducted a General Meeting which provided shareholder approval to issue 8,550,000 shares to investors and directors under Tranche 2 of the placement that was announced on 30 May 2023 and to issue 11 million options exercisable at \$0.08 and expiring on 5 June 2025.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Note 25 Reconciliation of Loss After Tax to Net Cash Inflow from Operating Activities

	2023 \$	2022 \$
Loss for the year	(2,472,701)	(2,666,980)
<i>Non-cash adjustments:</i>		
Depreciation	86,511	78,278
Interest on Lease Liability	6,958	11,039
Share Based Payments	83,791	-
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	10,741	(44,198)
(Decrease)/increase in payables	(88,419)	277,715
(Increase)/decrease in other assets	(10,008)	1,011
Increase in provisions	23,810	17,367
Net cash (outflow) from operating activities	(2,359,317)	(2,325,768)

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NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR END 30 JUNE 2023

Note 26 Earnings Per Share

	2023	2022
	Cents	Cents
Basic / diluted loss per share		
Loss attributable to ordinary equity holders of the Company (cents per share)	(4,49)	(5.57)
	\$	\$
Loss used in calculation of basic / diluted loss per share		
Loss	(2,472,701)	(2,666,980)
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic / diluted loss per share	55,031,781	47,887,363

Note 27 Ultimate Parent Entity

At 30 June 2023, the Company considered Serena Minerals Limited to be its ultimate parent entity. Although Serena Minerals Limited holds less than 50% of the issued capital of the Company, based on the number of Directors of Serena Minerals Limited who are also Directors of the Company, it was concluded that the Company's ultimate parent was Serena Minerals Limited.

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DIRECTORS' DECLARATION

In the opinion of the Directors of Dalaroo Metals Ltd ("the Company")

- (a) the financial statements and notes set out on pages 36 to 60 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standard *AASB 124 Related Party Disclosures*, the Corporations Act 2001 and the Corporations Regulations 2001.
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 27th day of September 2023.



David Quinlivan
Chairman

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF DALAROO METALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dalaroo Metals Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(x) in the financial statements, which details events or conditions, along with other matters that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How we addressed the Key Audit Matter
Impairment of capitalised mineral exploration and evaluation expenditure	
<p>The consideration of impairment of the carrying value of the Company's Capitalised Mineral Exploration and Evaluation Expenditure assets was material to our audit and represented an area of significant estimate and judgement within the financial report.</p> <p>This matter is considered a key audit matter due to the high degree of judgement required by the directors to assess whether impairment indicators are present for specified tenements held and due to the significance of the capitalised amount of \$971,759 at 30 June 2023.</p> <p>The conditions and assessment undertaken in relation to impairment are disclosed in the Company's accounting policy in Notes 1 and 10 of the financial report.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing management's assessment of the existence or otherwise of impairment indicators from both internal and external sources, as well as considering whether there existed any facts and circumstances to indicate that the Company should test exploration and evaluation assets for impairment; • Ensuring the Company had satisfactory title to the exploration tenements held; • Corroborating representations made by management with available external data and evidence obtained by us during the course of our audit; and • Considering the appropriateness of relevant disclosures in the notes to the financial statements.

Information Other than the Financial Report and the Audit's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Dalaroo Metals Limited for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Crowe Perth



Cyrus Patell
Partner

Dated at Perth this 27 September 2023

DALAROO METALS LTD
ACN 648 476 699

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 20 September 2023.

1. Shareholding

a) Distribution of Shareholders

Holding Range	Number of Holders	Fully Paid Ordinary Shares	Percentage
1 – 1,000	10	1,264	0.002%
1,001 – 5,000	46	145,077	0.191%
5,001 – 10,000	82	737,303	0.970%
10,001 – 100,000	265	11,690,869	15.383%
100,001 +	95	63,425,487	83.454%
Totals	498	76,000,000	100.000%

b) Listed Options

At the date of this report, the Company has no listed options.

c) Unmarketable Parcels

At \$0.05 per share, the minimum marketable holding size is 10,000. 83 shareholders hold less than this amount, collectively they hold 333,644 ordinary shares.

d) Top 20

The 20 largest shareholders hold 63.94 % of the Company's ordinary shares

e) Issued Capital

There are 76,000,000 shares on issue, held by 498 shareholders.

f) Substantial shareholders (greater than 5%)

The substantial shareholders in the Company on 20 September 2023 are the following:

- **Serena Minerals Limited** holding 11,500,000 fully paid ordinary shares – 15.13%
- **Shenton Resources Limited** holding 11,225,000 fully paid shares – 14.77%

g) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

DALAROO METALS LTD
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ASX ADDITIONAL INFORMATION

h) Top 20 Holders (Ordinary Shares)

Position	Holder Name	Shares	%
1	SERENA MINERALS LIMITED	11,500,000	15.13
2	SHENTON RESOURCES LIMITED	11,225,000	14.77
3	MS CHUNYAN NIU	4,927,739	6.48
4	MR BIN LIU	3,500,000	4.61
5	PERTH SELECT SEAFOODS PTY LTD	3,250,000	4.28
6	BORDEN HOLDINGS PTY LTD <QUINLIVAN SUPER FUND A/C>	2,100,000	2.76
7	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	2,000,000	2.63
8	BEACHCOVE CAPITAL PTE LTD	1,515,000	2.34
9	PROFESSIONAL PAYMENT SERVICES PTY LTD	1,292,500	1.70
10	STIRLING RESOURCES PTY LTD	975,000	1.28
11	WANDELLA INVESTMENTS PTY LTD <THE WANDELLA SUPER FUND A/C>	900,000	1.18
12	MR TERRY ALLEN STARK & MS NAOMI ANN STARK <TA STARK S/F A/C>	793,000	1.04
13	MR GARY FRANC MAMIC	786,349	1.03
14	MR GAVIN JEREMY DUNHILL	750,000	0.99
15	MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	600,000	0.79
16	RAROA PTY LTD <RAROA SUPERANNUATION A/C>	575,000	0.76
17	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	573,898	0.76
18	MERRIBROOK SUPER PTY LTD <V&M DELLA FRANCIS S/F A/C>	500,000	0.66
19	MR ARTIE DAMAA	433,500	0.57
20	INVENET PTY LTD <INVENET SUPER FUND A/C>	400,000	0.53
Total:		48,596,986	63.94
Total issued capital – ordinary shares		76,000,000	100.00

2. Unquoted Securities

The Company has the following unquoted securities on issue as at 20 September 2023

Number on Issue	Class	Number of Holders
8,000,000	Unlisted Options exercisable at \$0.25 expiring on 28 September 2025	2
5,000,000	Unlisted Options exercisable at \$0.25 expiring on 28 September 2024	18
11,000,000	Unlisted Options exercisable at \$0.08 expiring on 5 June 2025	32
3,900,000	Performance Rights	3

Holders over 20% in each unquoted class of securities

Holder Name	Class	% Held in Class
Serena Minerals Limited	Unlisted Options exercisable at \$0.25 expiring 28 September 2025	50.00%
Shenton Resources Limited	Unlisted Options exercisable at \$0.25 expiring 28 September 2025	50.00%
Cityscape Asset Pty Ltd <Cityscape Family A/C>	Unlisted Options exercisable at \$0.25 expiring 28 September 2024	38.94%
CPS Capital Group Pty Ltd	Unlisted Options exercisable at \$0.25 expiring 28 September 2024	28.50%
Mr David Quinlivan	Performance Rights	30.77%
Mr Robert Beeck	Performance Rights	30.77%
Mr Harjinder Kehal	Performance Rights	38.46%

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ASX ADDITIONAL INFORMATION

3. The name of the company secretary is John Arbuckle.
4. The address of the principal registered office is :
Suite 1, 346 Barker Road, Subiaco, WA 6008
5. Registers of Securities are held at the following address:
Advanced Share Registry Limited, 110 Stirling Highway, Nedlands, WA 6009
6. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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.

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Tenement Schedule as at 30 June 2023

Project Name	Location	Tenement Licence	Interest held at 30 June 2023
Lyons River	WA	E09/1824	100%
Lyons River	WA	E09/1825	100%
Lyons River	WA	E09/2098	100%
Lyons River	WA	E09/2102	100%
Lyons River	WA	E09/2304	100%
Lyons River	WA	E09/2305	100%
Lyons River	WA	E09/2312	100%
Lyons River	WA	E09/2713 (application)	100%
Namban	WA	E70/4694	100%
Namban	WA	E70/4928	100%
Namban	WA	E70/5702	100%
Namban	WA	E70/5494	100%
Namban	WA	E70/5502	100%
Namban	WA	E70/5604	100%

Note: All the Tenement Licences are granted, apart from E09/2713