

Blue Lagoon Mapping Defines Fertile Rare Earth Source Rocks

Accelerated Exploration Program Rapidly Defining the Scale of the Blue Lagoon Rare Earth System

Highlights

- Geological mapping has identified distinct granite units, numerous aplite sills, beryl-bearing pegmatites and interpreted eudialyte-bearing alkaline granites, significantly advancing understanding of the hard-rock source of Blue Lagoon's rare earth-bearing sediments.
- Approximately **65%** of geological mapping completed.
- Approximately **40%** of planned surface sampling completed.
- Approximately **50%** of lagoon sediment sampling completed using a Van Veen grab sampler.
- Ground Penetrating Radar (GPR) survey has **commenced**, providing the first three-dimensional assessment of lagoon sediment architecture.
- Exploration program remains fully on schedule despite weather-related logistical changes, with operations transitioned to a helicopter-supported fly-camp and planned mechanised auger drilling successfully replaced by hand auger drilling.
- Program builds on previous results that returned anomalous rare earth mineralisation from **all 113 samples**, including peak values of **0.81% TREO, 4.42% ZrO₂ and 99 ppm Hf**.
- Widespread naturally concentrated heavy mineral sands identified throughout eastern drainage systems and beach foreshores, providing further support for Dalaroo's source-to-sink exploration model and highlighting the potential for natural concentration of rare earth-bearing minerals.
- Southern Greenland continues to emerge as a globally significant rare earth jurisdiction, with both Amaroq and Critical Metals Corp actively drilling rare earth projects across the Gardar Alkaline Province, highlighting the region's growing strategic importance.

The 2025 field season demonstrated that Blue Lagoon hosts a laterally extensive rare earth and critical mineral system. The significantly expanded 2026 exploration program is now identifying the fertile intrusive source rocks, defining the geological processes responsible for concentrating rare earth-bearing minerals and rapidly building the geological framework required to support future drilling and project advancement.

Dalaroo Metals Ltd (**ASX: DAL, OTCQB: DALMF**) is pleased to provide shareholders with an update on the Company's ongoing 2026 exploration program at its 100%-owned Blue Lagoon Rare Earth Project in southern Greenland.

Just six months after discovering a district-scale rare earth and critical mineral system at Blue Lagoon, Dalaroo has returned with a significantly expanded exploration program that is already delivering geological observations beyond the Company's initial expectations.

The 2026 field season is rapidly transforming Blue Lagoon from an exciting surface discovery into a well-defined rare earth system, with geological mapping identifying multiple fertile intrusive phases and providing increasing confidence in the source rocks responsible for the rare earth-bearing sediments identified during the inaugural 2025 program.

Dalaroo's inaugural exploration campaign in 2025 exceeded expectations, confirming a laterally extensive rare earth and critical mineral system within lagoon and surrounding surficial sediments. **All 113** samples returned anomalous rare earth mineralisation, defining a coherent mineralised system extending approximately 2.7 kilometres and returning peak values of **0.81%** Total Rare Earth Oxides (TREO), **4.42%** zirconium oxide (ZrO_2) and **99 ppm** hafnium (Hf). These results established Blue Lagoon as a compelling early-stage rare earth discovery in southern Greenland and fundamentally changed Dalaroo's understanding of the project's potential. Previous surface sampling returned exceptionally high zirconium and hafnium values including:

- **4.42% ZrO_2 & 98ppm HfO_2** (Sediment Sample 26818D)
- **4.09% ZrO_2 & 99ppm HfO_2** (Sediment Sample 26817D)
- **3.82% ZrO_2 & 82ppm HfO_2** (Sediment Sample 26808D)
- **3.58% ZrO_2 & 61ppm HfO_2** (Sediment Sample 26820D)
- **3.13% ZrO_2 & 62ppm HfO_2** (Sediment Sample 26803D)
- **2.85% ZrO_2 & 73ppm HfO_2** (Sediment Sample 26806D)

Within only the first few weeks of field activities, the exploration team has identified four distinct granite phases, numerous aplite sills, beryl-bearing pegmatites, interpreted eudialyte-bearing alkaline granites, extensive heavy mineral sand accumulations and significantly expanded the Company's understanding of the geological architecture controlling the Blue Lagoon mineral system.

Building on this success, the 2026 exploration program has been significantly expanded in both scale and technical scope. Rather than simply collecting additional surface samples, the current program is designed to systematically identify the hard-rock source of the mineralisation, understand the geological processes responsible for transporting and naturally concentrating rare earth-bearing minerals, and develop a robust geological model capable of guiding future drilling and resource evaluation.

The field program now integrates **detailed geological mapping, structural interpretation, hard-rock sampling, hand auger drilling, lagoon sediment sampling, Ground Penetrating Radar (GPR) surveying, mineralogical investigations and preliminary metallurgical studies** into a single, coordinated exploration campaign. Together, these work streams are rapidly transforming Blue Lagoon from an exciting sediment-hosted discovery into a well-defined rare earth system with multiple independent lines of geological evidence supporting the Company's evolving source-to-sink exploration model.

Importantly, the current field season is already delivering results beyond the Company's initial expectations. Geological mapping has identified multiple fertile intrusive phases, beryl-bearing pegmatites, numerous aplite sills and interpreted eudialyte-bearing alkaline granites, while widespread naturally concentrated heavy mineral sands and extensive eastern drainage systems continue to reinforce the geological processes responsible for concentrating rare earth-bearing minerals throughout the Blue Lagoon basin. Collectively, these observations are significantly improving Dalaroo's understanding of the project and increasing confidence in both the scale and fertility of the Blue Lagoon mineral system.

As exploration continues, Blue Lagoon is rapidly evolving into a well-defined rare earth system supported by geological, geochemical, geophysical and mineralogical datasets. The integration of geological, geochemical, geophysical and mineralogical datasets is expected to provide the strongest understanding of the project to date and establish a solid technical foundation for future exploration, drill targeting and ongoing project advancement.

The primary objectives of the 2026 field program are to:

- refine the geological understanding of the project area;
- identify the hard-rock source of the mineralised sediments;
- evaluate the extent and continuity of lagoon-hosted mineralisation;
- better define sediment architecture through geophysical surveying; and
- collect representative material for mineralogical and future metallurgical investigations.

For more information on this release and the Blue Lagoon REE Project, [Click Here](#)



Figure 1. Southwestern Blue Lagoon Beach.

Geological Mapping

Geological mapping continues to progress well, with approximately 65% of the planned mapping program completed.

To date, the exploration team has identified and mapped four distinct granite units within the Blue Lagoon project area. The recognition of multiple intrusive phases is significantly improving the Company's understanding of the geological evolution of the project and the potential source rocks responsible for the rare earth and critical mineral enrichment observed within the lagoon sediments.

Collectively, these observations represent the strongest geological evidence obtained to date that the Blue Lagoon sedimentary system is being sourced from a large, highly evolved alkaline intrusive complex.



Figure 2. Beryl-bearing pegmatite exposed on the Western Ridge.

The exploration team has identified coarse beryl crystals hosted within pegmatitic intrusions along the Western Ridge. Beryl is recognised as a late-stage magmatic mineral commonly associated with highly fractionated granitic systems. Its occurrence supports the interpretation that parts of the Blue Lagoon intrusive complex have undergone significant magmatic evolution, a key characteristic often associated with enrichment of rare earth elements and other incompatible metals. While the beryl itself is not the exploration target, its presence provides another vector supporting the fertility of the intrusive system.



Figure 3. Coarse beryl crystals hosted within mapped pegmatites on the Western Ridge.

In addition, the team has mapped numerous aplite sills throughout the project area. These late-stage intrusive bodies are considered important geological features as they are interpreted to represent highly evolved magmatic phases capable of concentrating rare earth elements and other incompatible metals. Their distribution and relationship to the surrounding granitic units will be further evaluated as part of the Company's ongoing geological interpretation.

The increasing geological complexity now recognised across the project area provides multiple potential source lithologies capable of contributing rare earth-bearing minerals into the Blue Lagoon sedimentary system.

In addition, field mapping has identified pink alkaline granites containing minerals interpreted to be consistent with eudialyte. Petrographic and laboratory confirmation will be undertaken. Eudialyte is recognised as an important zirconium and rare earth-bearing mineral within alkaline intrusive systems globally.

If confirmed by laboratory analysis, this would represent the first direct field evidence linking potentially rare earth-fertile alkaline intrusive rocks with the heavy mineral assemblages previously identified within the Blue Lagoon sediments.



Figure 4. Mineral interpreted to be eudialyte hosted within pink alkaline granite on the Western Ridge (pending laboratory confirmation).

Importantly, several of the highest-grade heavy mineral samples returned during the 2025 exploration program were collected immediately downslope from these mapped pink alkaline granites. This spatial relationship further supports the Company's interpretation that these intrusive units may represent an important source of the rare earth-bearing heavy mineral assemblages identified within the lagoon sediments. Representative hard-rock samples have been collected for laboratory analysis.

The mapping program is also refining lithological contacts, structural relationships and alteration patterns across the project area, providing an increasingly robust geological framework for integrating geochemical, geophysical and mineralogical datasets.

These observations continue to strengthen Dalaroo's geological model and will assist in identifying potential hard-rock source areas for the rare earth-bearing sediments, while supporting the prioritisation of future exploration targets.



Figure 5. Geology Manager Trystan Hughes taking structural measurements.

Geological Model Continues to Strengthen

Geological mapping completed to date continues to strengthen Dalaroo's evolving source-to-sink exploration model. Multiple intrusive phases, pegmatites, aplite sills, interpreted eudialyte-bearing pink granites and beryl-bearing pegmatites have now been recognised across the project area. Collectively, these observations indicate a highly evolved alkaline intrusive system capable of generating the rare earth and critical mineral enrichment previously identified within the lagoon sediments. When combined with extensive eastern drainage systems and widespread heavy mineral sand accumulations, the geological evidence continues to reinforce Blue Lagoon's potential as a significant rare earth project.

Surface Sampling

Approximately **40% of the planned surface sampling program** has now been completed.

Sampling includes the systematic collection of stream sediment, soil and rock chip samples across priority target areas surrounding the Blue Lagoon to better understand the distribution of rare earth mineralisation and identify potential source rocks responsible for the mineralised lagoon sediments.

As mapping and sampling have progressed, field observations have highlighted the **sheer scale of the eastern valleys draining into the Blue Lagoon basin**. These extensive drainage systems provide a significant catchment area capable of transporting and concentrating weathered material from multiple granitic source rocks into the lagoon environment.

Within these valley settings and on the beach foreshores widespread naturally concentrated heavy mineral sands have been identified and sampled. These samples have been sieved to less than 200 micron.



Figure 6. Concentrations of naturally occurring heavy mineral sands identified within eastern drainage systems and beach foreshores.



Figure 7. Sieved heavy mineral concentrate (<200 µm) collected from eastern drainage systems for laboratory analysis.

The widespread occurrence of naturally concentrated heavy mineral sands throughout multiple drainage systems and along the lagoon margins provides additional confidence that the Blue Lagoon basin is acting as an efficient natural trap for dense rare earth-bearing minerals. The consistency of these accumulations across the project area suggests the transport and concentration processes are operating on a project-wide scale rather than being restricted to isolated localised occurrences.

The consistency of these accumulations across multiple independent drainage systems suggests the concentration processes are robust and repeatable rather than isolated geological occurrences, providing increasing confidence in the scale of the Blue Lagoon mineral system.

These observations continue to reinforce **Dalaroo's source-to-sink exploration model**, whereby rare earth-bearing minerals are liberated through weathering of fertile alkaline intrusive rocks before being transported through the eastern drainage systems and naturally concentrated within favourable depositional environments around the Blue Lagoon.

The surface sampling program is designed to test this geological model by systematically evaluating potential source lithologies throughout the catchment while characterising the geochemical signature of the transported material.

The integration of geological mapping, surface geochemistry and lagoon sediment sampling will enable the Company to better understand the pathways of mineral transport and the relationship between the surrounding granitic terrane and the mineralised sedimentary system.

Following weather-related logistical constraints that limited the mobilisation and movement of mechanised auger equipment, the Company has transitioned from the planned auger drilling program to a hand auger sampling program. Hand auguring is continuing to progress well and is providing valuable shallow subsurface geological and sediment samples while maintaining exploration momentum.



Figure 8. Hand Auger Drilling on the Northeastern Beach.

Lagoon Sediment Sampling

The lagoon sediment sampling program continues to make excellent progress, with approximately **50% of the planned sampling completed**.

Sampling is being undertaken using a **Van Veen grab sampler**, allowing the collection of representative unconsolidated sediment from the lagoon floor.

The program is specifically designed to evaluate the lateral continuity of heavy mineral concentrations previously identified during reconnaissance sampling while collecting material suitable for detailed mineralogical characterisation.

The sampling program will also improve understanding of sediment transport processes and assist in identifying areas where heavy minerals may have naturally concentrated within the lagoon system. Scanning of the lagoon floor will be completed this week.

The results will also assist in defining priority areas for future shallow auger drilling and provide representative material for ongoing mineralogical and metallurgical studies.

The combined GPR and sediment dataset will provide the first detailed understanding of sediment thickness, geometry and heavy mineral distribution across the Blue Lagoon basin.

Ground Penetrating Radar Survey

Ground Penetrating Radar (GPR) surveying has now begun and is expected to take two to three days.

The survey will scan the lagoon sediments to determine sediment thickness, define subsurface stratigraphy and identify buried channels or depositional features that may control the distribution of heavy mineral accumulations.

The integration of GPR data with geological mapping and geochemical sampling is expected to provide the first three-dimensional understanding of the lagoon sediment architecture and will significantly enhance future exploration targeting.



Figure 9. Northeastern Beach, approximately 500m in length and 170m in width.

Field Operations

Weather conditions experienced during the early stages of the field season required the Company to modify certain aspects of its exploration program and field logistics.

To maximise operational efficiency and maintain exploration momentum, the original base camp has been replaced with a flexible helicopter-supported fly-camp operation. In addition, planned mechanised auger drilling has been replaced with hand auger drilling after weather conditions restricted the mobilisation and movement of drilling equipment across the project area.

Importantly, these operational adjustments have not impacted the Company's exploration objectives. Geological mapping, hand auger drilling, surface sampling, lagoon sediment sampling and Ground Penetrating Radar surveying are all progressing well and remain on schedule.

The fly-camp model has enabled the exploration team to continue operating safely while maintaining excellent productivity across the project area.

The flexibility afforded by the fly-camp model has also enabled the exploration team to access multiple parts of the project area efficiently, maximising productive field time despite intermittent weather conditions.



Figure 10. Fly camp setup at Blue Lagoon.

Geological Setting

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

Blue Lagoon is located within the Helene alkaline granite, forming the westernmost exposure of the Nunarsuit Complex. The Nunarsuit Complex is the largest, and among the youngest, of the Gardar-age intrusions in South

Greenland and is comprised predominantly of alkaline syenitic and granitic units. The Project area is bounded to the east by extensive alkalic syenite, further reinforcing the prospectivity of the geological setting for zirconium, niobium and rare earth element enrichment.

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

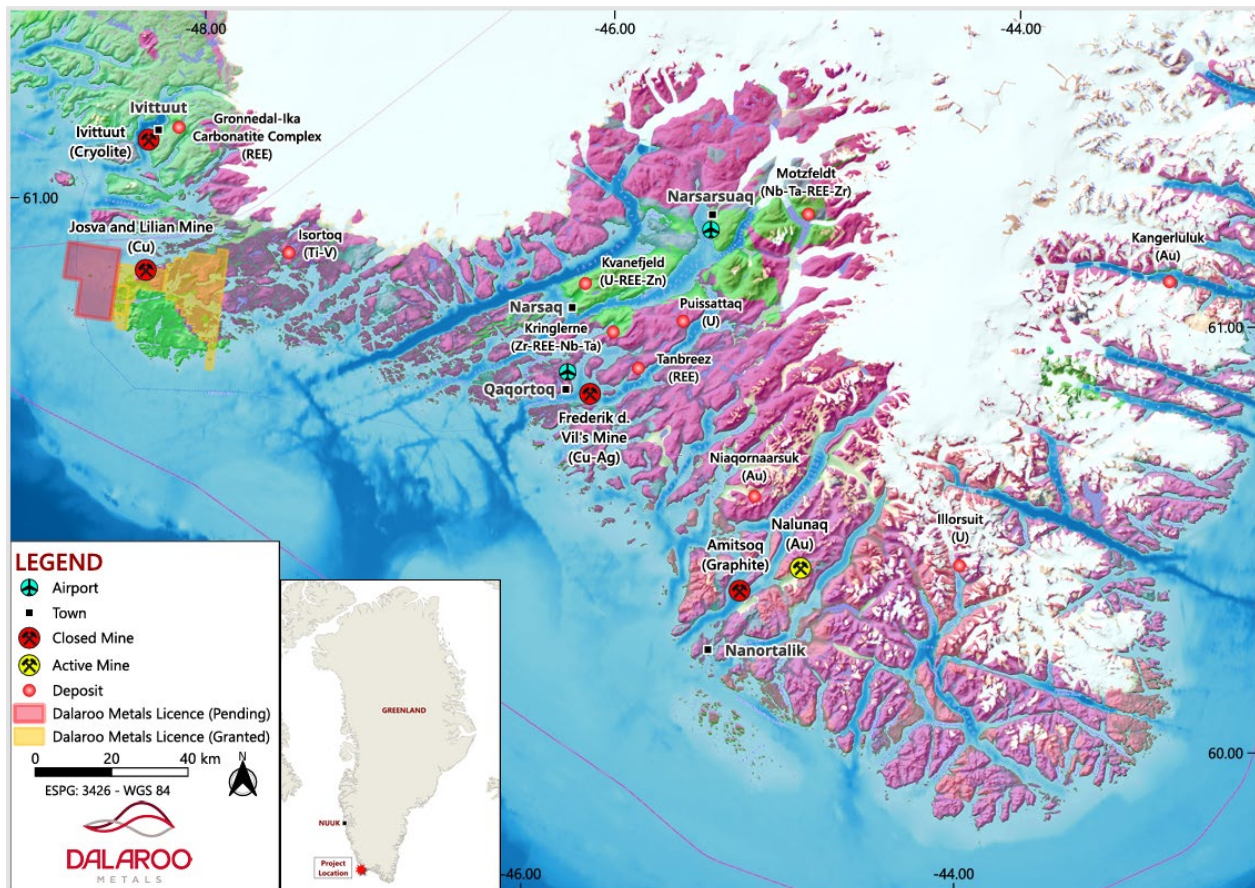


Figure 11. Location of the Blue Lagoon project in South-West Greenland.

Southern Greenland Emerging as an Important Global Rare Earth Jurisdiction

Southern Greenland is rapidly emerging as one of the world's most important new jurisdictions for rare earth elements and critical minerals, with multiple companies now actively exploring and advancing globally significant projects within the Gardar Alkaline Province.

Recent developments further highlight the growing momentum across the region. Neighbouring explorer Amaroq Ltd. has recently commenced its maiden drill program at the Ilua Rare Earth Project, targeting a large pegmatite-hosted rare earth system in southern Greenland. The drilling campaign follows encouraging surface sampling results and represents another significant step in advancing critical mineral exploration across the district.

The region is also home to the advanced Tanbreez Rare Earth Project, one of the world's largest heavy rare earth element deposits and one of only a small number of rare earth projects in Greenland to hold an exploitation licence. Tanbreez is progressing resource expansion and development activities as part of its strategy to become a long-term supplier of critical minerals to Western markets.

Together with Dalaroo's Blue Lagoon Rare Earth Project, these developments highlight the increasing strategic importance of Southern Greenland as governments, industry and investors seek to establish secure, diversified supply chains for rare earth elements outside of traditional producing regions. While each project targets a different style of mineralisation, the growing level of exploration and development activity reinforces Southern Greenland's emergence as a globally significant rare earth and critical minerals province.

As shown in Figure 12, Dalaroo now controls a strategically located land position within one of Southern Greenland's most active emerging rare earth districts.

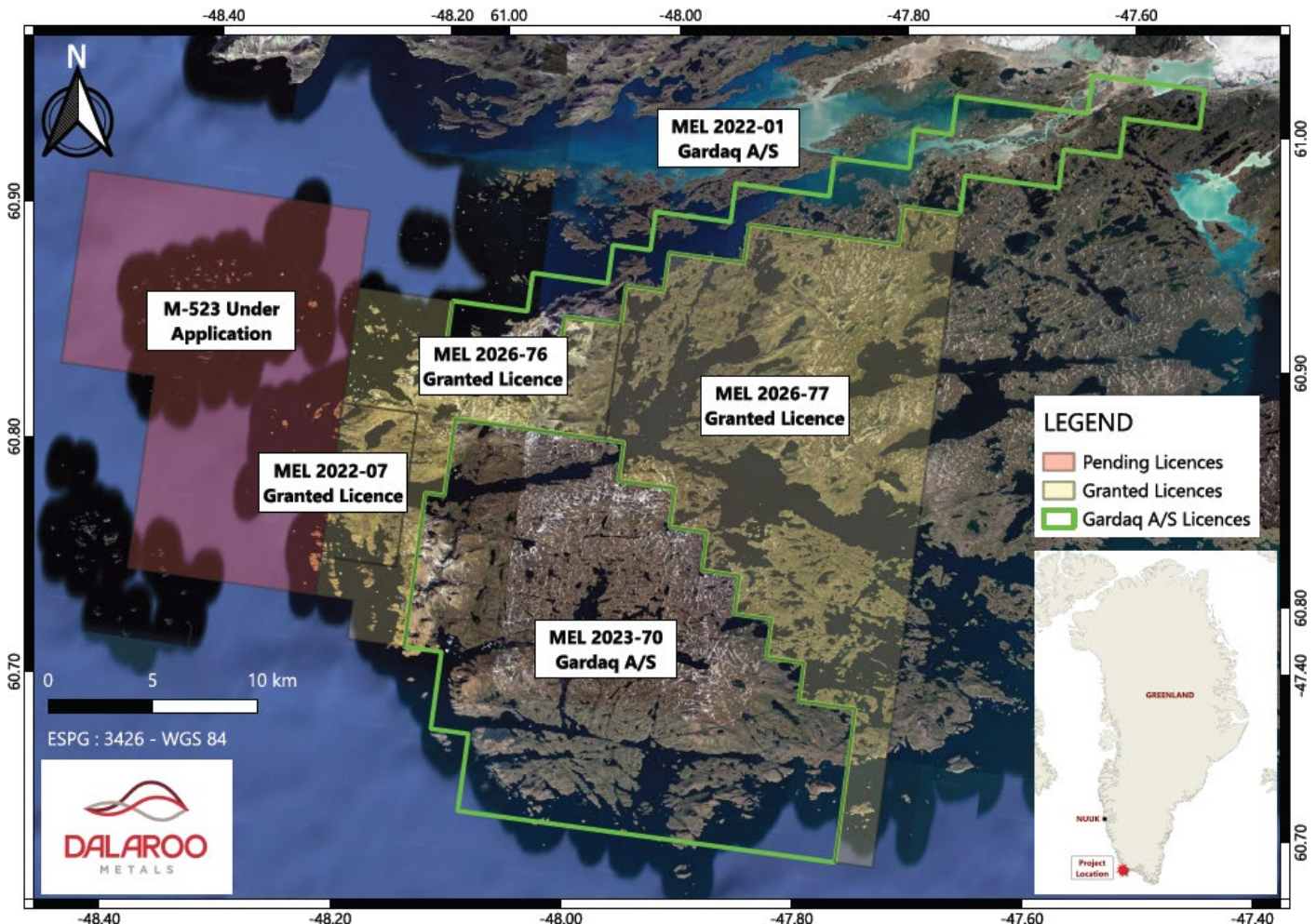


Figure 12. Map of Dalaroo's Blue Lagoon Project with approved exploration licences shown in yellow and exploration licence application M-523 shown in red in what is becoming a major REE jurisdiction. Gardaq A/S licences shown in green (Critical JV company between Amaroq and GCAM⁴).

Upcoming Catalysts

- Completion of GPR survey
- Completion of lagoon sediment sampling
- Completion of geological mapping
- Laboratory assay results from hard-rock and heavy mineral concentrate sampling
- Confirmation of rare earth-bearing mineral assemblages
- Preliminary metallurgical investigations
- Target generation for follow-up drilling

Management Commentary

Dalaroo Metals CEO, John Morgan, commented:

"Our 2026 field program is rapidly advancing and, importantly, is delivering far more than simply exploration progress. Every day in the field is improving our understanding of the Blue Lagoon mineral system and strengthening our confidence in the geological model that underpins the project.

"The identification of four distinct granite units, numerous aplite sills, beryl-bearing pegmatites and interpreted eudialyte-bearing alkaline granites demonstrates that the project hosts a far more evolved intrusive system than previously recognised. These observations provide valuable clues to the source of the rare earth-bearing heavy minerals previously identified within the lagoon sediments.

"Equally encouraging has been the widespread occurrence of naturally concentrated heavy mineral sands across the eastern drainage systems and beach foreshores. These accumulations provide tangible evidence that the natural geological processes responsible for weathering, transporting and concentrating dense rare earth-bearing minerals are operating across the Blue Lagoon system exactly as our exploration model predicts. Together, these observations continue to reinforce our source-to-sink exploration model and provide increasing confidence that Blue Lagoon represents a large and fertile mineral system.

Every component of this year's field program is bringing us closer to understanding the source, scale and continuity of the Blue Lagoon mineral system, while providing the technical foundation for the next phase of exploration and future drilling."

Exploration Manager – Greenland and Western Australia, Trystan Hughes, commented:

"One of the most significant outcomes of this field season has been the rapid improvement in our geological understanding of the Blue Lagoon intrusive complex. Mapping has confirmed multiple intrusive phases together with numerous aplite sills and beryl-bearing pegmatites, indicating a far more complex and evolved alkaline system than historical mapping suggested.

"Another particularly encouraging observation has been the identification of interpreted eudialyte-bearing alkaline granites occurring immediately upslope from some of the highest-grade heavy mineral samples collected during the 2025 program. While laboratory confirmation is still required, this relationship provides an important line of evidence supporting our interpretation of the source rocks responsible for the mineralised sediments.

"The scale of the eastern drainage systems has also exceeded expectations. These extensive catchments provide an efficient natural transport pathway capable of delivering weathered material from multiple fertile intrusive bodies into the Blue Lagoon basin, exactly as predicted by our source-to-sink exploration model.

"As geological mapping, surface sampling, lagoon sediment sampling and Ground Penetrating Radar data are integrated over the coming weeks, we expect to develop the first detailed three-dimensional geological model of the Blue Lagoon system. That integrated dataset will provide a strong technical foundation for prioritising future exploration and drill targeting."

Reference:

1. Refer to ASX Announcement (DAL), "Sampling Reveals District Scale Critical Minerals – Greenland", 16 January 2026.
2. Amaroq Ltd. (2026). *Drilling Commenced at the High Impact Ilua Rare Earth Project, South Greenland*. News Release, 29 June 2026.
3. Critical Metals Corp. (2025). *Tanbreez Rare Earth Project*. Corporate Project Information.
4. Refer to Amaroq Corporate Presentation, January 2026.
5. Critical Metals Corp. (2026). *CRML Commences a 10,000-Meter Drilling Campaign at Tanbreez Rare Earth Project, Greenland*

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

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For more Information:

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About Dalaroo Metals

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

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

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

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Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by John Morgan, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the CEO of Dalaroo Metals Ltd. Mr Morgan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Morgan consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

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

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

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