# LONG TERM INCENTIVES ON DELIVERY OF EXPLORATION SUCCESS

The Directors ("Board") of Dalaroo Metals Ltd ("**Dalaroo**" or "**the Company"**) (**ASX: DAL**) have resolved, as part of the remuneration review for the 2022-2023 financial year, to offer eligible participants and (subject to shareholder approval) directors, the opportunity to apply for and receive incentive performance rights in lieu of a cash salary increase for the financial year.

Incentive performance rights to be offered will be governed by the terms and conditions of the Dalaroo Metals Ltd – Employee Securities Incentive Plan (**"Plan"**) that was approved by shareholders at the Company's 2021 Annual General Meeting.

The primary objectives of offering performance rights as incentives in lieu of salary increases include:

- ensuring employee, director and shareholder alignment;
- ensuring that Dalaroo is a preferred employer in being able to attract and retain experienced and skilled professionals in the current highly competitive labour market;
- maximising cash funds available for on ground exploration work; and
- creating long term shareholder value by setting significant targets that will have a material beneficial impact on Dalaroo's enterprise value.

**Employee Securities Incentive Plan**

The Dalaroo Employee Securities Incentive Plan provides for the issue of performance rights as incentives, with each performance right representing the right for the holder to apply for one fully paid ordinary Dalaroo share of the Company (or the holder as the case may be) achieving a designated threshold target within the nominated time period.

The essential terms of the incentive performance rights are as follows:

**Vesting Conditions**

Vesting of incentive performance rights will, subject to the Plan and as described further hereunder, be subject to the satisfaction of the following three vesting conditions (**Vesting Conditions**):

- (**Performance Condition 1**) the Company's share price exceeding by 100% the Volume Weighted Average Price of Dalaroo shares traded on ASX during the final five trading days of financial year 2021/22 ($0.087), for a period of 20 consecutive trading days during the three-year period from 1 July 2022 to 30 June 2025 (**"Vesting Period"**), as further described below;
- (**Performance Condition 2**) the Company's share price exceeding by 125% the Volume Weighted Average Price of Dalaroo shares traded on ASX during the final five trading days of financial year 2021/22 ($0.087), for a period of 20 consecutive trading days during the three-year period from 1 July 2022 to 30 June 2025 (**"Vesting Period"**), as further described below; and
- (**Service Condition**) eligible participants remaining with Dalaroo Metals Ltd throughout the Vesting Period, subject to the discretion of the Board under the rules of the Plan.

The grant of Incentives is designed to reward longer term sustainable business performance measured by the Company's share price during the three-year Vesting Period with equal weighting allocated to each of the three Vesting Conditions.

**Quantity of Performance Rights:**

The total number of incentive performance rights proposed to be issued has been determined by the Board as 4,350,000 with 3,900,000 issued, subject to shareholder approval, to the directors as follows:

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| David Quinlivan | 1,200,000 performance rights |
| Harjinder Kehal | 1,500,000 performance rights |
| Robert Beeck | 1,200,000 performance rights |

The remaining 450,000 performance rights will be issued to other eligible participants.

An assessment of whether any of the performance rights have met the performance conditions will be made as at the close of business on 30 June 2025. By way of example, if Performance Condition 1 is achieved and the Service Condition for a holder of performance rights is met two thirds of the above performance rights of that holder would vest. If Performance Condition 2 is not achieved, one third of the above performance rights of that holder would not vest and would lapse. If in the case of the holder the Service Condition is met but neither of the Performance Conditions are met one third of the above performance rights of that holder would vest.

**Regulatory Requirements**

Under Listing Rule 7.2 Exception 13(a), Listing Rules 7.1 and 7.1A do not apply to the issue of a maximum of 5,400,000 securities under the Employee Securities Incentive Plan within 3 years from 16 August 2021, the date of the Company's Prospectus, however if an offer is made to a Director to participate in the Employee Securities Incentive Plan, separate shareholder approval must be obtained.

The Company will accordingly seek shareholder approval at the 2022 Annual General Meeting for the issue of the performance rights listed above to each director in accordance with ASX Listing Rule 10.14 and, as required, Chapter 2E of the Corporations Act 2001.

Authorised for release to the ASX by the Board of Dalaroo Metals Ltd.

**For more Information:**

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

Harjinder Kehal, Managing Director on +61 400 044 890