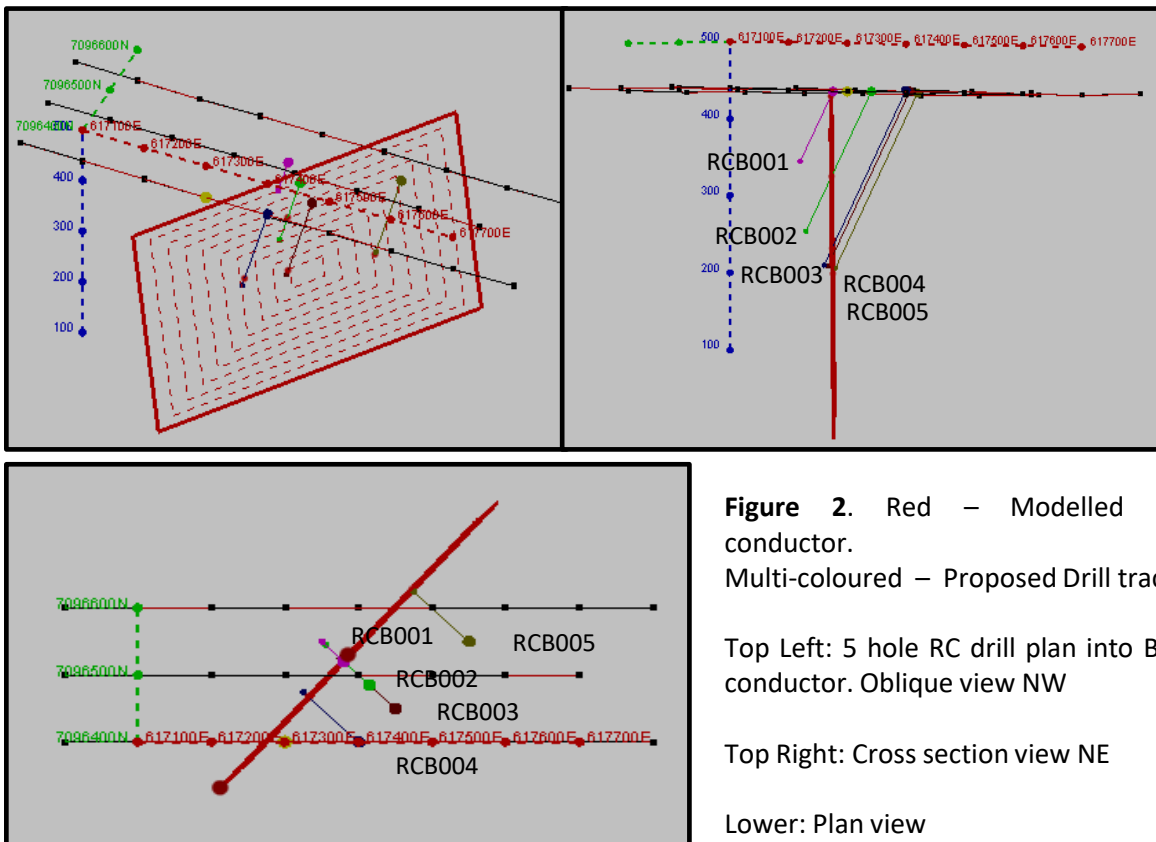


Drilling Started at Belele

Desert Metals has begun drilling on its 5 hole ~1100m RC program at Belele (Figure 1). The program is designed to test a modelled conductor, identified in airborne EM and confirmed by ground EM data. The conductor is semi-coincident with a bullseye magnetic anomaly and may represent sulphides associated with Volcanogenic Massive Sulphide (VMS) style mineralisation. (see Figure 2).



Figure 1. RC Drill Rig begun at Belele



ASX RELEASE 21 JANUARY 2022

Innouendy drilling to start next week

The 44 hole ~3000m Aircore programme designed to test PGE anomalism in recent diamond drilling and soil geochemistry at Innouendy (DM1 ASX announcement 20 December 2020) is expected to start next week. The program will also follow up on an airborne EM anomaly adjacent to Ni anomalism in historic drilling (DM1 ASX announcement 26 February 2020). The conductor lies approximately 100m from an historic WMC drill hole which returned 0.59% Ni over 14m (Figure 3). These were the highest Ni values recorded in the 52-hole WMC percussion drilling program. The program was designed to test for chromite in a favorable tectonic setting and the anomalous Ni was not followed up. (WAMEX reports A7934 and A8056)

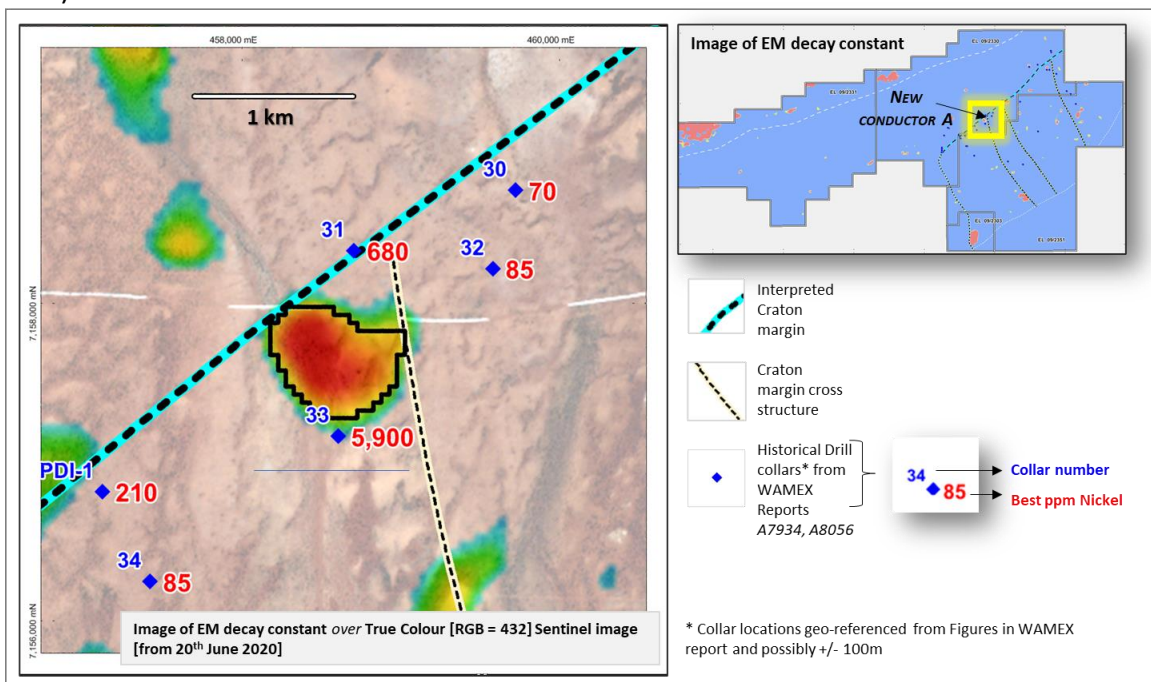


Figure 3. Conductor on interpreted structural break with adjacent historical drilling up to 5900ppm Ni. Image of EM decay constant over True Colour [RGB = 432] Sentinel image [from 20th June 2020]

This announcement has been approved by the Board of Desert Metals Limited.

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Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Dr Rob Stuart, a competent person who is a member of the Australasian Institute of Mining and Metallurgy. Dr Stuart has a minimum of five years' experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2012 Edition of the Joint Ore Reserves. Dr Stuart is a related party of the Company, being a Director, and holds securities in the Company. Dr Stuart has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.