

ASX RELEASE 5 OCTOBER 2022

Drilling at Dingo Pass

Exploration Update

- **Downhole EM completed on 5 holes at Dingo Pass**
- **Untested very high conductance anomalies modelled (up to 30,000 Siemens)**
- **Drill rig on site to test new targets**

Desert Metals would like to provide an update on its exploration program at Dingo Pass.

Downhole electromagnetic data (DHEM) has been completed on 5 holes (DRC003, DRC004, DRC005, DRC006, DRC007). These surveys confirm that the very high conductance bodies first defined by airborne and then ground electromagnetic data have so far not been intersected by drilling and remain live. A reverse circulation (RC) drill rig has arrived on site with drilling due to commence this week. Diamond drilling is scheduled to begin later this month.

Earlier drilling at Dingo Pass intersected metamorphosed mafic intrusions with traces of disseminated copper (Cu) and nickel (Ni) bearing sulphides, but not enough sulphide or other conductive rock to explain the anomalies (DM1:ASX release 15 June 2022). Modelling of DHEM confirms the presence of very high conductance bodies and suggests they are off hole from the initial RC drilling. These will now be tested with both RC and diamond holes.

From the initial drill holes, the Company infers that the targeted host intrusions have been deformed and metamorphosed. In other Ni provinces where this is the case, such as the Thomson Belt in Manitoba, Canada, the sulphides are often reworked into fold hinges and other structurally complex positions. This makes their associated conductance difficult to model and would explain the relative lack of success in intersecting the targeted conductors on the first pass.

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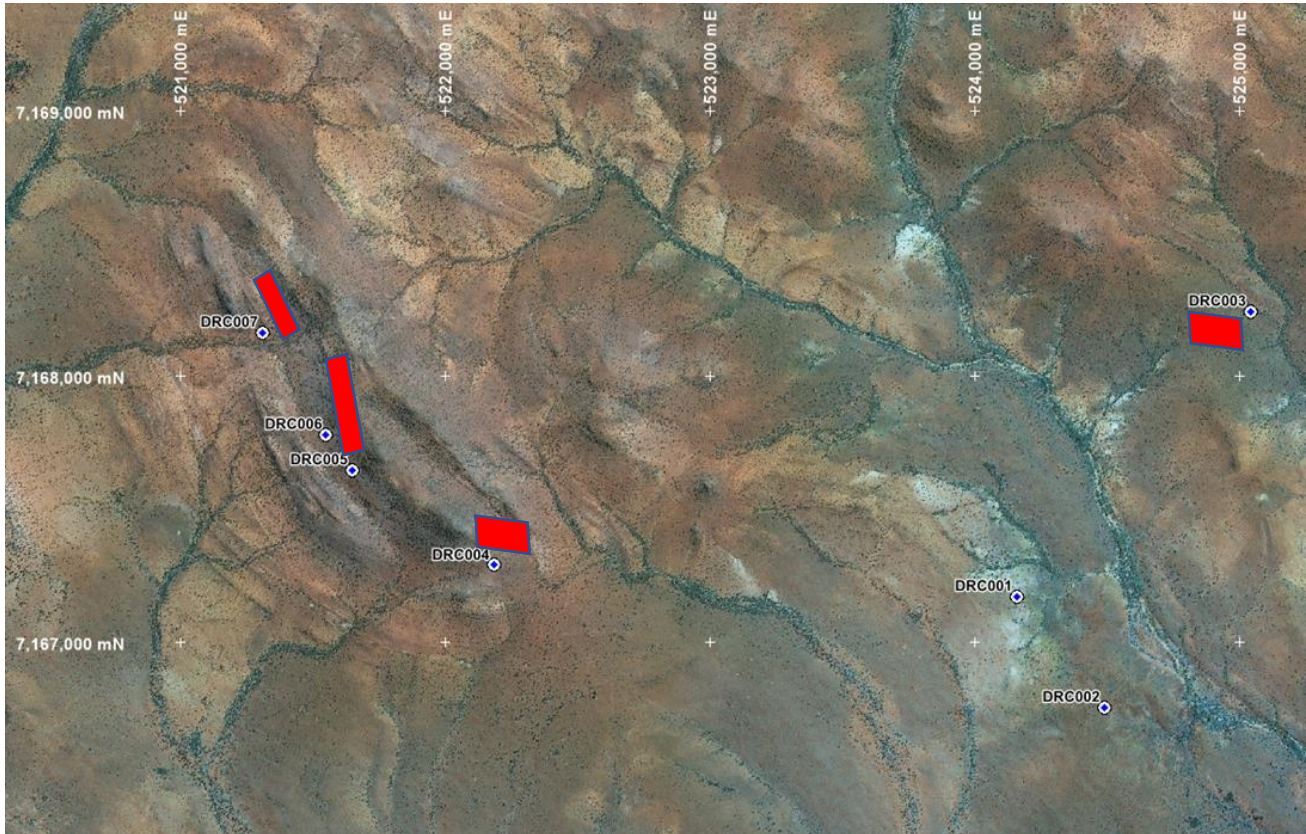


Figure 1: Dingo Pass Drill Hole Location Plan. Red squares - location of untested conductors modelled from DHEM

Authorised by the Board of Desert Metals Limited.

Rob Stuart

Managing Director

Tony Worth

Technical Director

Competent Person 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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g., ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • No sampling being reported
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g., core, reverse circulation, open-hole hammer, rotary airblast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> • No drilling being reported

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • No drilling being reported
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • No logging being reported
<i>Sub-sampling and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No drilling being reported

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc. the parameters used in determining the analysis including instrument make model, reading times, calibration factors applied and their derivation etc. • Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • No assays being reported
Verification of assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No assays being reported
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control 	<ul style="list-style-type: none"> • No drilling being reported. • The grid system is MGA GDA94 (zone 50), local easting and northing are MGA. • Topographic surface uses handheld GPS elevation data, which is adequate for the current stage of the project.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample composting has been applied.</i> 	<ul style="list-style-type: none"> • Data spacing and distribution is not sufficient to allow the estimation of mineral resources. • No sampling being reported
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • No sampling being reported.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	No sampling being reported.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i> 	<ul style="list-style-type: none"> Surveys were conducted within DM1 100%-owned Exploration License E52/3665 All tenements are in good standing with DMIRS. DM1 is unaware of any impediments for exploration on these licenses.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties</i> 	<ul style="list-style-type: none"> The tenements have had very limited published or open file exploration work for magmatic nickel type deposits. Limited exploration undertaken to date by past explorers was mostly focused on iron ore, and, to a lesser extent, gold. The main exploration that is relevant to Desert Metals is described in the prospectus downloadable from the Company's website.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The project covers regions of the Narryer Terrane in the Yilgarn Craton, said to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGEs) and orogenic gold mineralisation. Nickel-sulphide mineralisation is anticipated to be related to mantle-derived (mafic and ultramafic) intrusives intersected by deep structures. REE mineralisation is considered to occur in deeply weathered lateritic and saprolitic clay layers of the Narryer terrane.

Criteria	JORC Code explanation	Commentary
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collars elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole dip and azimuth of the hole down hole length and interception depth hole length <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<ul style="list-style-type: none"> No drilling being reported
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting average techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporated short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregation shown in detail. The assumption used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No sampling being reported
Relationship between mineralisation	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> No drilling being reported
widths and intercept lengths	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No drilling being reported
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> No discovery being reported

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All results are reported transparently in the report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> DHEM data by Gap Geophysics. Transmitter: Geopak HPTX-80 Receiver: DigiAtlantis 24-bit B-field 3 component Probe Current: 185 amps Frequency: 0.125 and 0.25 Hz Loop size: 200m and 400m square Readings: 5m or 10m downhole
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> A follow-up drill program is being planned to targeting the conductors