New wave of exploration programs to begin at gold and REE projects

Drilling at Belele gold project to start next week

Desert Metals (ASX:DM1) is pleased to advise that the Company is now proceeding with extensive field work at its three key projects. The programs include drilling, metallurgical test work and heritage surveys and signify an important step forward for the Company.

The programs include:

- Drilling at **Belele** of a previously untested 15km of greenstone belt for gold and base metals, with about 100 holes to be drilled within the Carbar Shear Zone.

- At the **Dingo Pass** rare earth elements (REE) project, a heritage survey will be underway from 29 March. This will precede a 5,000m— 10,000m drill program, which is aimed at defining the eastern extension of the Tower REE resource owned by Krakatoa Resources (ASX:KTA). In November 2021 KTA reported [ASX:KTA 21 November 2022] a maiden resource on its ground. Drilling at Dingo Pass will follow the work at Belele.

- At the polymetallic **Innouendy** project, metallurgical work is already underway to determine recovery rates of clay hosted REE mineralisation, and to identify the most cost-effective processing methodology. Results are expected next month.

- The Program of Work (POW) permit at Innouendy has been approved and heritage surveys are planned for a follow-up program of up to 20,000m of drilling to further test the extent of rare earths mineralisation and also to define the inaugural resource.

Belele Project

Heritage surveys have been completed and a 100-hole aircore drilling program to test for gold and VMS mineralisation along an unexplored extension of the Mingah Range Greenstone belt will commence next week.

The Belele prospect on the Company's 100% owned license EL51/1907 covers a gravity feature initially interpreted by Desert Metals to be an extension of the Mingah Range Greenstone Belt. Airborne and ground EM data collected by the Company in 2021 identified a conductive feature within the belt that was drilled in 2022. Sulphide mineralisation including chalcopyrite was intersected, explaining the conductive anomaly. (see DM1 ASX release 13 December 2022 and earlier Belele releases)

The prospect is completely covered by alluvium and colluvium and the intersected copper mineralisation and the extension of the belt itself is blind to surface data. The entire Belele license, which is now known to be underlain by the Mingah Range Greeenstone Belt, has become prospective for both VMS and orogenic style gold which is the target of the current drilling program. The belt has previously been explored for gold and base metals where it outcrops to the south of the license and contains numerous historical gold showings, as well as a number of reported base metal gossans.

Stratigraphically, it passes upwards from komatiitic volcanics into high-magnesium basalts, which have been intruded by broad differentiated gabbroic sills, to felsic-intermediate volcanics and finally sediments comprising BIF, felsic epiclastics and quartzites. The entire stratigraphy has been regionally metamorphosed to mid to upper greenschist facies. Shearing and potassic alteration intersected in the company's 2022 drilling is interpreted to represent the Carbar Shear zone. This regional scale linear feature correlates to the Big Bell gold deposit 120km to the south.

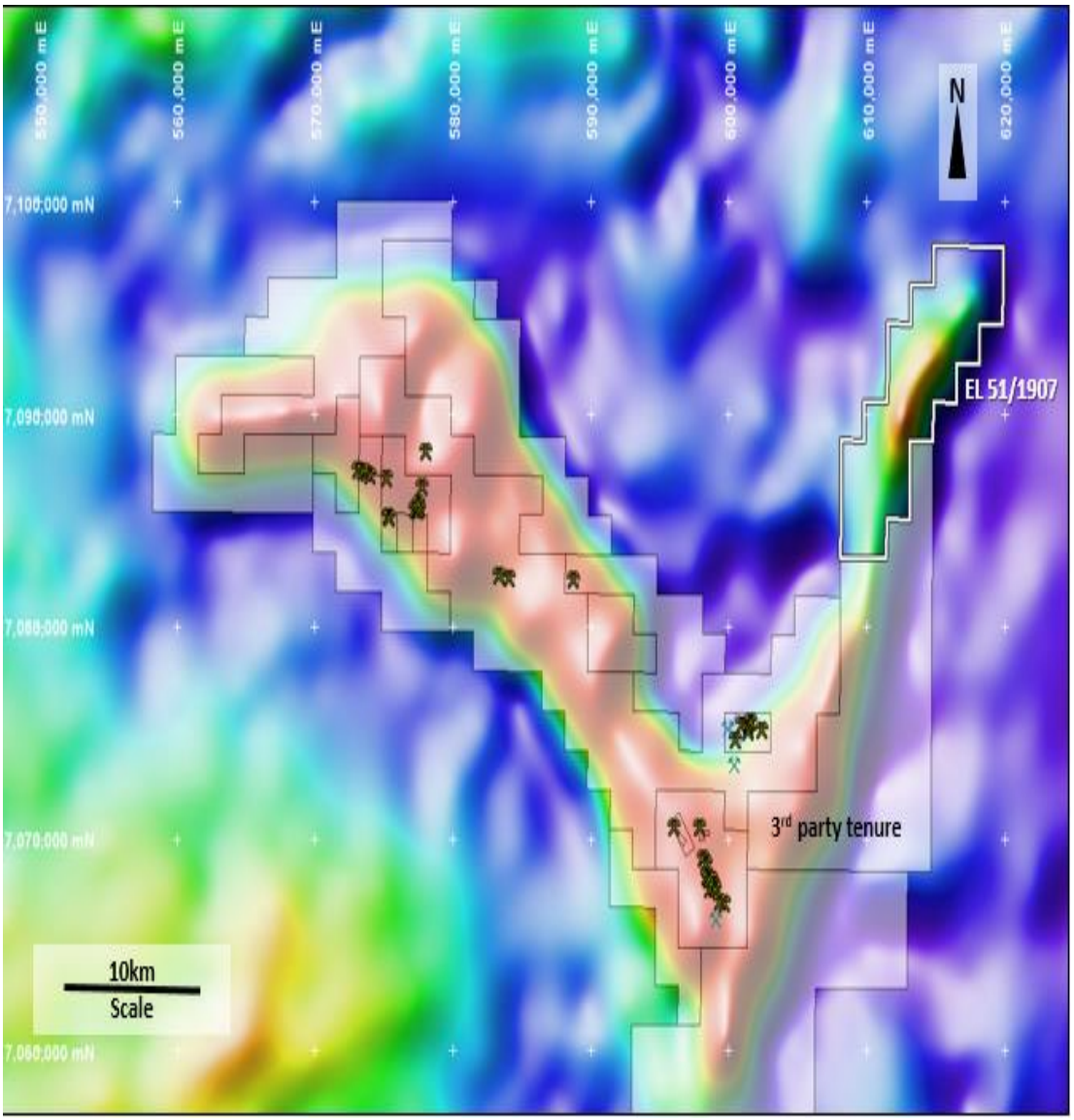

Figure 1 *Processed gravity data showing the interpreted extension of the Mingah Range Volcanics into DM1's Belele license EL51/1907. Drilling in 2022 by the Company confirmed that the greenstone belt does extend under cover, making the entire 20km length prospective for gold and VMS mineralisation. Drilling commences next week.*

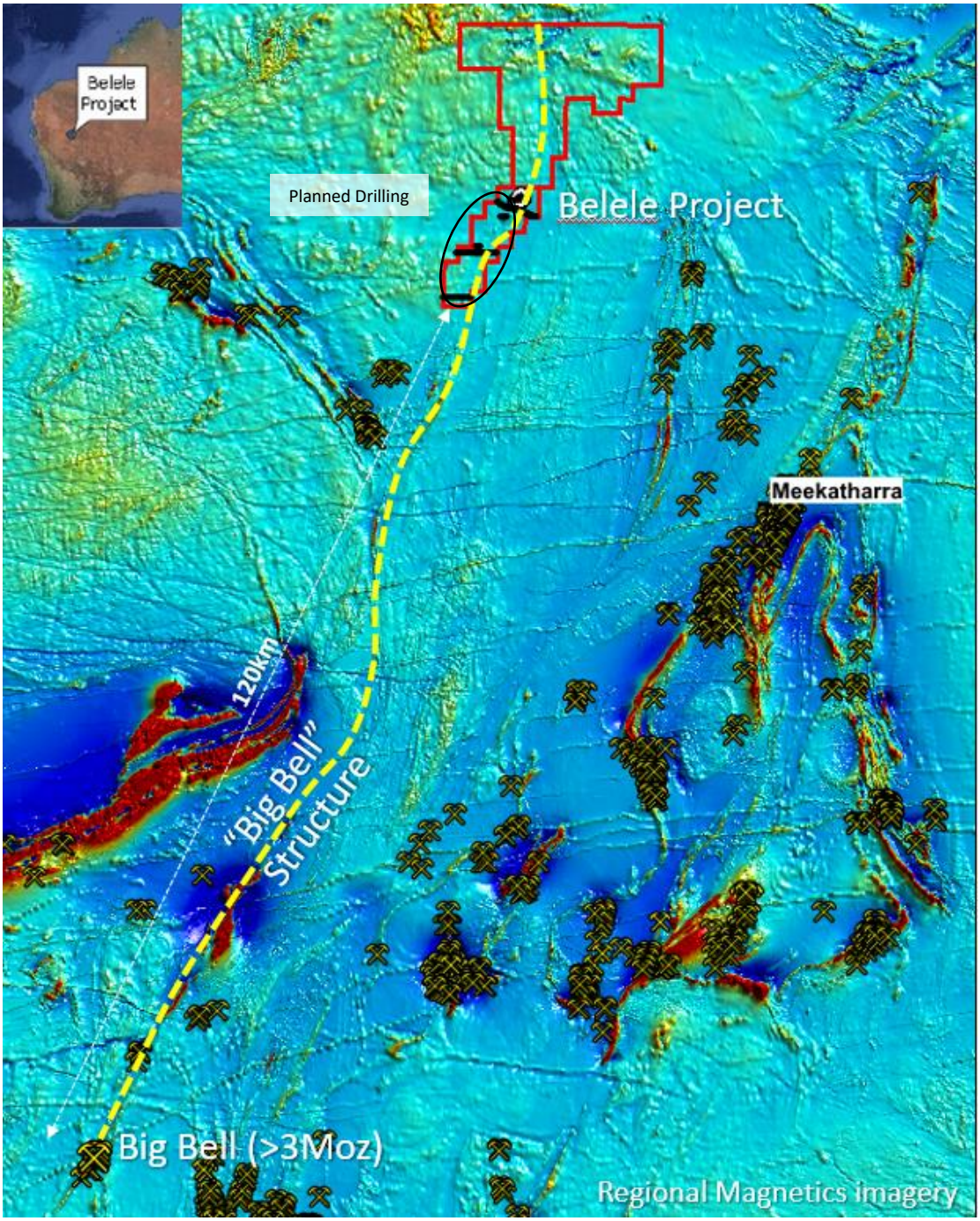

Figure 2. *Belele Project relative to the Carbar Shear Zone ("Big Bell" Linear). Black dots are proposed drill holes*

Dingo Pass Project – Tower REE Prospect

Drilling of the presumed extension of the Tower Rare Earth Element Resource will commence after a heritage survey which begins on 29 March . The survey is due to be finished in the first week of April. (see DM1 ASX release 13 December 2022).

In November 2022 Krakatoa Resources Ltd reported a JORC compliant resource of 101Mt @ 840ppm TREO at their Tower prospect (ASX:KTA 21 November 2022). The eastern limit of the resource is truncated by the Dingo Pass tenement boundary, with remote sensing and radiometric data suggesting the REE mineralisation is likely to continue into the Dingo Pass Project (Figure 3).

Desert Metals plans to drill test a 9km long zone along strike to the east of the Tower deposit with 5000m-10,000m of Aircore drilling.

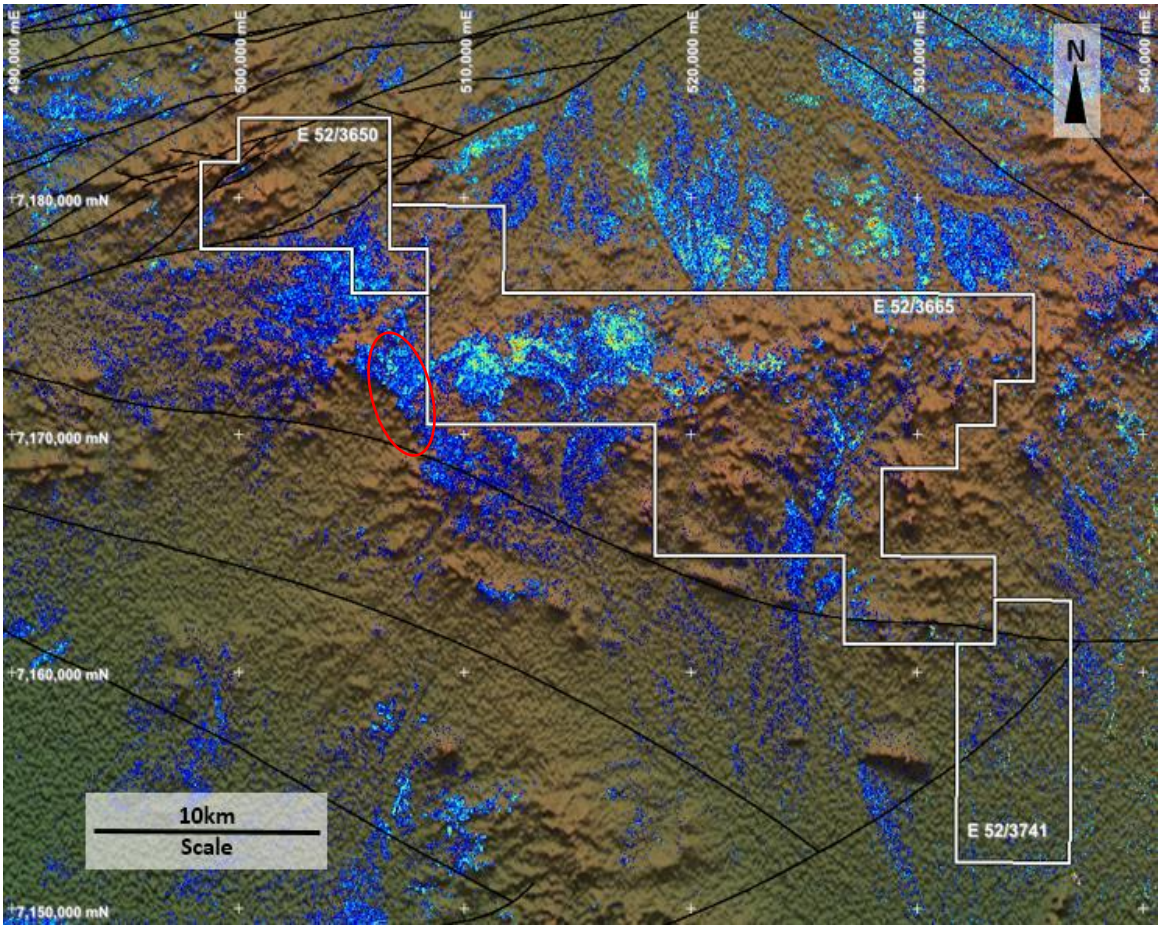

Figure 3. *Strong clay alteration signature in ASTER in the central part of the tenement adjacent to the TOWER REE Resource (Circled in Red).*

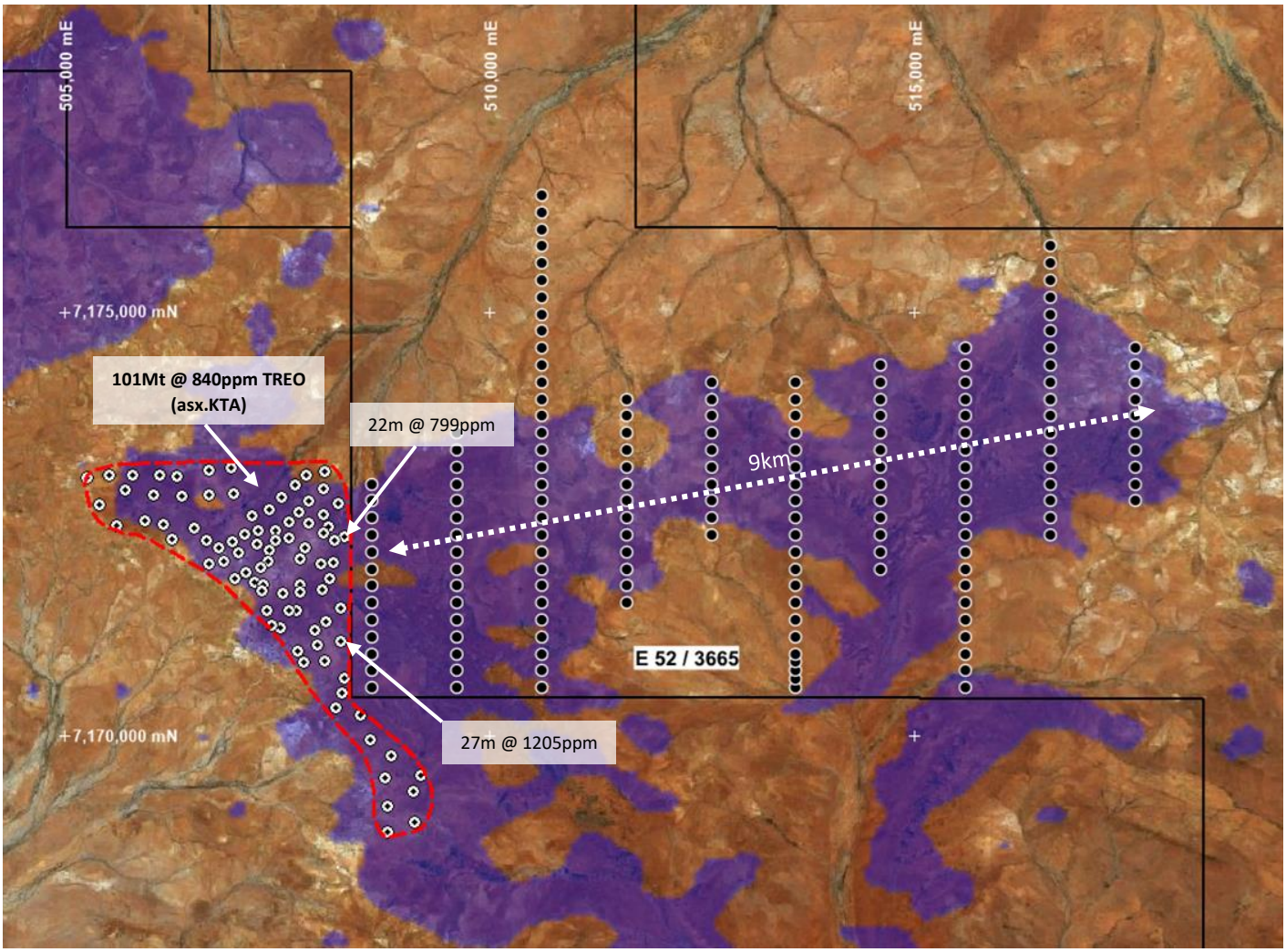

Figure 4. *Dingo Pass Project, Tower REE Prospect – Planned Drilling (black dots). Background is Radiometrics (inverse of K) over photo imagery.*

Innouendy Rare Earth Elements

Metallurgical work to determine potentially economic recovery rates of clay hosted REE mineralisation and the most cost-effective processing methodology at Innouendy has begun. Results are expected from the lab next month. Heritage surveys are planned for an anticipated drilling program to commence after drilling at Dingo Pass and after metallurgical results are received. (see DM1 ASX release 13 December 2022)

Drilling during 2022 defined a 20km long strike extent of clay hosted mineralisation that was regularly acid leachable over a wide extent. Assuming favourable metallurgical results from the current program, a JORC compliant resource will be defined and likely extended by a planned 20,000m drilling program. There remain a number of untested anomalies at Innouendy where the Company interprets potential for thicker, higher grade mineralisation than already discovered:

1. Airborne radiometric data define a zone of thorium enrichment and potassium depletion around and to the north of the main Innouendy drilling. Both thorium enrichment and potassium depletion can be indications of processes associated with the formation of clay hosted REE deposits.

2. Airborne EM data collected by the Company in 2021 defined zones of conductivity interpreted to be palaeochannels. These are largely untested by current drilling although where they have been intersected, they commonly encounter thicker clays. Thicker clays have the potential to host both thicker and higher grade REE mineralisation.

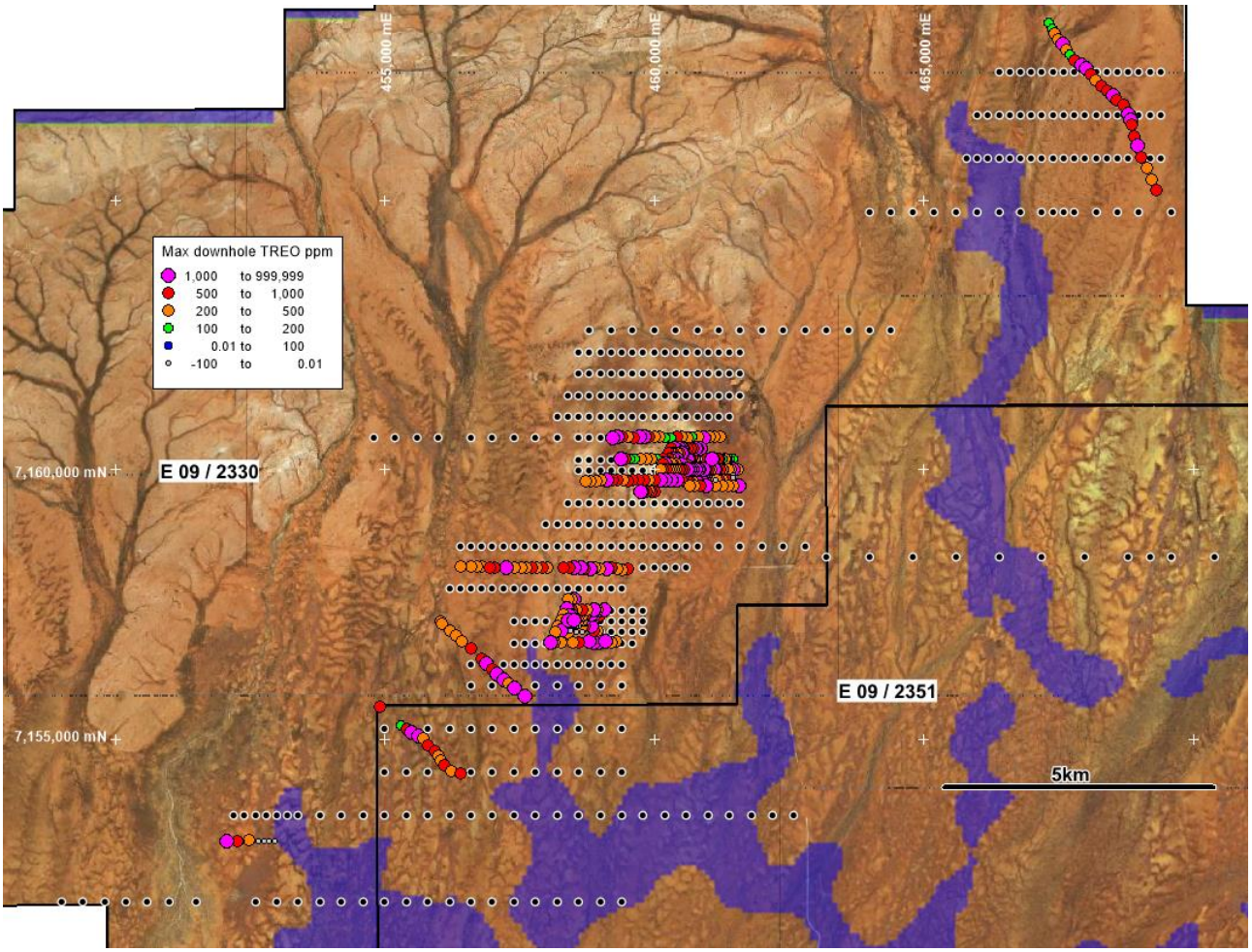

Figure 5. *Innouendy drill holes coloured by maximum downhole TREO value. Black dots are planned drill holes (to be completed in 2023). Blue shaded Areas are Paleochannels interpreted from EM Geophysical survey.*

Authorised by the Board of Desert Metals Limited.

Rob Stuart	**Tony Worth**
Managing Director	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.