# High-Value Rare Earth Element Intercepts at Innouendy

**Highlights**

- Samples from reconnaissance aircore drilling at the Innouendy Project have returned significant Rare Earth Element (REE) intercepts close to surface within the lateritic and saprolitic clay layers.
- A total of 16 samples, 15 4-metre composite samples, and one 1-metre sample were re-submitted for analysis of the full suite of REEs following out-of-range cerium (Ce) (>500 ppm) in the initial analyses.
- Thirteen of the 16 samples re-submitted returned Total Rare Earth Oxide (TREO[1]) values higher than 1,000 ppm, with six samples higher than 2,000 ppm:
    - **16m intersection** of mineralisation in hole INAC027, including:
        - **4m @ 4,376 ppm TREO** from 20–24 m (1,349 ppm MREO[2])
        - **4m @ 2,199 ppm TREO** from 24–28 m (457 ppm MREO)
        - 4m sample from 28-32m still pending re-assays (high cerium noted in initial assay[3])
        - **4m @ 2,060 ppm TREO** from 32–36 m (417 ppm MREO)
    - **4m @ 2,786 ppm TREO** from 16 m (676 ppm MREO) – Hole INAC025
    - **4m @ 2,428 ppm TREO** from 36 m (301 ppm MREO) – Hole INAC004
    - **4m @ 2,185 ppm TREO** from 32 m (484 ppm MREO) – Hole INAC005
    - **4m @ 1,770 ppm TREO** from 28 m (381 ppm MREO) – Hole INAC033
- The above results are from isolated samples that were sent for re-analysis. Adjacent 4-metre samples have now been re-submitted for analyses, the results of which are pending.
- These encouraging intersections have been recorded over approximately four kilometres (Figure 1) highlighting the potential scale of the system.
- Hole INAC027, which intercepted 4m @ 4,376 ppm TREO, shows that mineralisation is 'open' to the north, south, and west.
- An extensive drill program is being planned to follow up on these significant results to define the extent of the mineralisation.

[1] TREO (Total Rare Earth Oxide) = $La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Y_2O_3 + Lu_2O_3$.

[2] MREO (Magnetic Rare Earth Oxide) = $Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3$.

[3] Initial Exploration Results extracted from the report entitled "Significant Shallow Nickel Results from Aircore Drilling at the Innouendy Project" created on 19 April 2022 and available to view on https://www.asx.com.au/asxpdf/20220419/pdf/4583b04dqg86tf.pdf. Competent Person: Rob Stuart. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

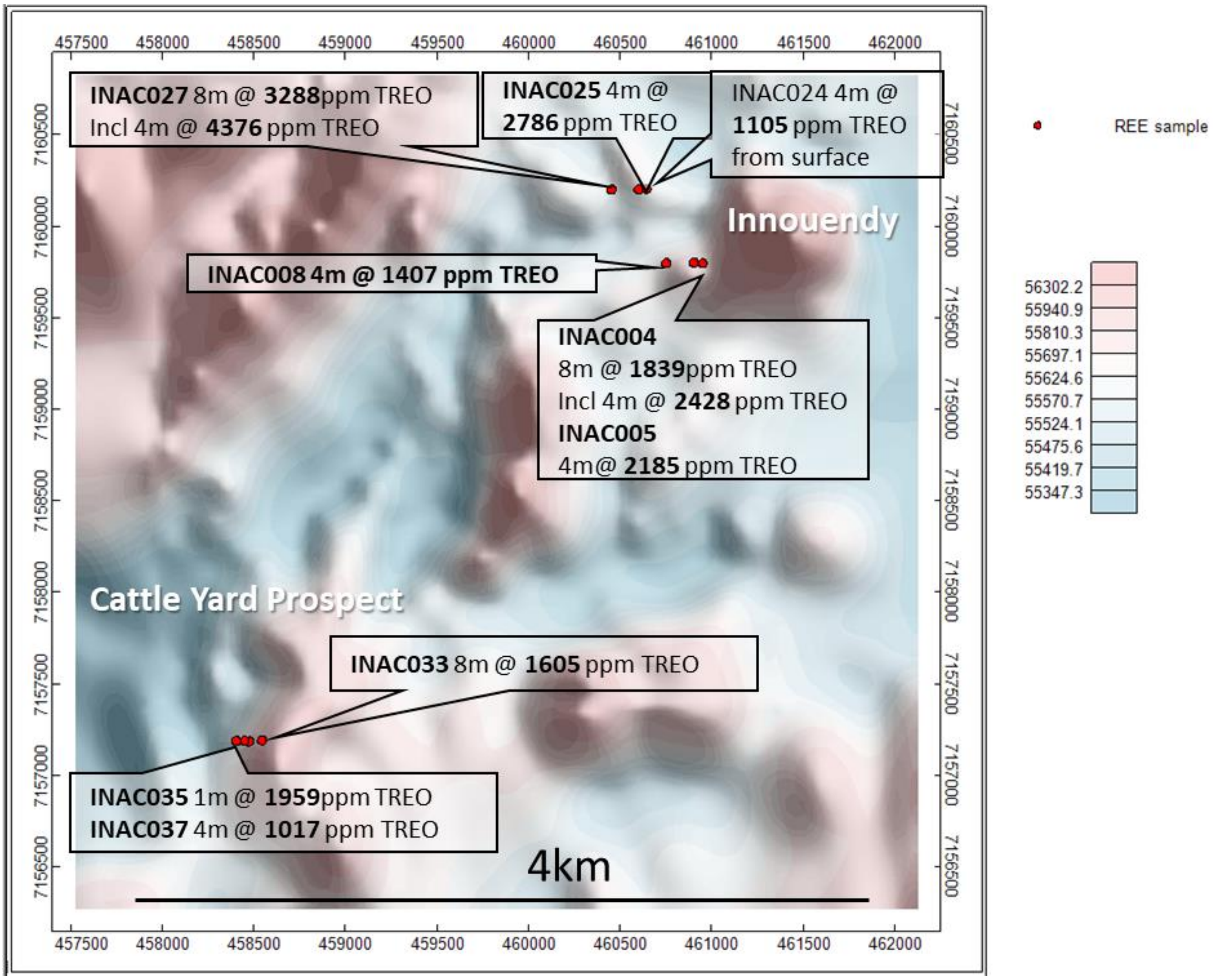


***Figure 1.*** *Collar locations of holes from which samples were re-submitted for full suite REE analysis. The background image shows RTP magnetics.*

**Rare Earth Elements**

Initial results from the recent 49-hole aircore drilling at Innouendy returned out-of-range REE cerium results (>500 ppm) in lateritic clays from 14 samples across ten holes[4]. Sixteen samples across those ten holes were resubmitted for the full suite of REE analysis to determine the presence of any high-value REEs. The Narryer Terrane has been identified by other explorers as being prospective for ionic adsorption clay REE deposits (e.g. Krakatoa Resources Ltd; Mt Clere project. ASX:KTA).

[4] Initial Exploration Results extracted from the report entitled "Significant Shallow Nickel Results from Aircore Drilling at the Innouendy Project" created on 19 April 2022 and available to view on https://www.asx.com.au/asxpdf/20220419/pdf/4583b04dqg86tf.pdf. Competent Person: Rob Stuart. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Samples from all ten holes that were re-submitted returned TREO values above 996 ppm. The most outstanding result was from hole INAC027, which returned 4m @ 4,376 ppm TREO from 20 m (Figure 1, Table 1) Composite samples above and below this intercept have been submitted to determine the full downhole thickness of mineralisation. The true thickness of mineralisation is unknown at this stage. INAC027 is the most westerly hole on the northern line of current drilling (Figure 1). Mineralisation is open to the north, south, and west.

Holes INAC033, INAC035, and INAC037, located at the recently identified Cattle Yard Nickel prospect approximately 4 km to the southwest of the Innouendy prospect, also returned highly anomalous REEs (Figure 1, Table 1).

Eleven of the 16 samples reported here have now been submitted for analysis by weak-acid digest to determine the proportion of easily recoverable REEs associated with ionic adsorption clay mineralisation. Adjacent samples have now been re-submitted for full-suite REE analysis, and an extensive follow-up drilling program is being planned to define the full extent of REE mineralisation.

Desert Metals Managing Director, Rob Stuart, commented:

*"The aircore program at Innouendy was designed to follow up on encouraging soil anomalies and EM data that may indicate the presence of Ni-Cu-PGE intrusives. Several encouraging nickel occurrences were detected. While we were aware that other companies were actively exploring for REEs on neighbouring licenses and knew there was a possibility of intersecting REE mineralisation, the drill spacing and collar locations of our recent program were not designed to specifically test for it. The Company is extremely encouraged by the grades and intercept widths of REEs at Innouendy and by how well these compare with similar announcements made recently by other companies. The possible extent of REE mineralisation makes this an exciting opportunity to execute a drill program to define the system further. This will also assist in defining the extent of Ni and PGE mineralisation on the Innouendy project."*

Authorised by the Board of Desert Metals Limited.

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|---|---|
| **Rob Stuart** | **Tony Worth** |
| Managing Director | Technical Director |

**Competent Person Statement**

*The information in this announcement that relates to Exploration Results is based on information compiled by Mr René Sterk, a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Sterk is employed by consulting firm RSC and confirms there is no potential for a conflict of interest in acting as the Competent Person. Mr Sterk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Sterk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Table 1: Rare Earth Oxide (ppm) results of all re-analysed samples.*

| Hole_ID | From | To | TREO | TREO-Ce | LREO | HREO | CREO | MREO | $CeO_2$ | ***$Dy_2O_3$*** | $Er_2O_3$ | $Eu_2O_3$ | ***$Gd_2O_3$*** | $Ho_2O_3$ | $La_2O_3$ | $Lu_2O_3$ | ***$Nd_2O_3$*** | ***$Pr_6O_{11}$*** | ***$Sm_2O_3$*** | ***$Tb_4O_7$*** | $Tm_2O_3$ | $Y_2O_3$ | $Yb_2O_3$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INAC004 | 36 | 40 | 2427.74 | 787.83 | 2371.82 | 55.93 | 231.09 | 301.27 | 1639.91 | 6.43 | 2.54 | 2.89 | 11.87 | 1.02 | 450.36 | 0.23 | 193.04 | 66.94 | 21.57 | 1.42 | 0.33 | 27.30 | 1.89 |
| INAC004 | 40 | 44 | 1249.53 | 530.92 | 1188.96 | 60.57 | 189.03 | 226.92 | 718.61 | 6.12 | 2.96 | 2.56 | 10.71 | 1.09 | 261.53 | 0.27 | 145.80 | 45.67 | 17.34 | 1.28 | 0.35 | 33.27 | 1.96 |
| INAC005 | 24 | 28 | 167.90 | 101.32 | 154.10 | 13.80 | 30.27 | 34.37 | 66.58 | 1.30 | 0.88 | 0.47 | 1.82 | 0.25 | 56.53 | 0.18 | 20.88 | 7.31 | 2.81 | 0.26 | 0.25 | 7.37 | 1.01 |
| INAC005 | 28 | 32 | 636.99 | 345.86 | 612.01 | 24.98 | 98.89 | 127.81 | 291.13 | 2.59 | 1.35 | 1.30 | 4.33 | 0.49 | 200.55 | 0.23 | 82.00 | 29.85 | 8.49 | 0.55 | 0.25 | 12.45 | 1.43 |
| INAC005 | 32 | 36 | 2184.90 | 1035.12 | 2110.38 | 74.51 | 371.12 | 484.31 | 1149.78 | 8.45 | 3.33 | 5.36 | 17.58 | 1.37 | 504.30 | 0.28 | 321.93 | 97.15 | 37.22 | 1.99 | 0.45 | 33.40 | 2.31 |
| INAC008 | 12 | 16 | 1407.24 | 610.01 | 1358.51 | 48.73 | 208.10 | 270.07 | 797.23 | 5.44 | 2.40 | 3.02 | 10.56 | 0.90 | 308.45 | 0.24 | 175.54 | 56.19 | 21.10 | 1.24 | 0.37 | 22.86 | 1.71 |
| INAC024 | 0 | 4 | 1105.04 | 178.82 | 1040.36 | 64.67 | 90.52 | 86.36 | 926.21 | 7.93 | 4.75 | 1.60 | 7.68 | 1.58 | 44.80 | 0.66 | 46.19 | 13.59 | 9.57 | 1.40 | 0.77 | 33.40 | 4.92 |
| INAC025 | 16 | 20 | 2785.65 | 1861.89 | 2684.63 | 101.02 | 517.49 | 676.19 | 923.76 | 9.06 | 4.41 | 4.01 | 21.78 | 1.64 | 1117.68 | 0.56 | 449.06 | 152.85 | 41.28 | 2.15 | 0.57 | 53.21 | 3.63 |
| INAC027 | 20 | 24 | 4376.04 | 3311.01 | 3929.29 | 446.75 | 1146.78 | 1349.46 | 1065.02 | 48.32 | 19.73 | 22.87 | 86.10 | 8.20 | 1659.51 | 1.80 | 831.64 | 263.41 | 109.70 | 10.29 | 2.24 | 233.66 | 13.55 |
| INAC027 | 24 | 28 | 2198.70 | 1293.37 | 1977.27 | 221.43 | 448.01 | 456.54 | 905.33 | 18.13 | 10.54 | 5.52 | 29.16 | 3.79 | 666.15 | 1.18 | 279.94 | 92.92 | 32.93 | 3.46 | 1.32 | 140.96 | 7.36 |
| INAC027 | 32 | 36 | 2060.24 | 1157.37 | 1904.18 | 156.06 | 377.99 | 417.30 | 902.87 | 13.49 | 7.08 | 4.92 | 22.71 | 2.55 | 622.76 | 0.81 | 261.27 | 87.24 | 30.03 | 2.56 | 0.89 | 95.75 | 5.31 |
| INAC037 | 32 | 36 | 1017.31 | 184.45 | 989.16 | 28.15 | 72.17 | 88.45 | 832.86 | 3.80 | 1.96 | 0.81 | 4.54 | 0.64 | 76.94 | 0.31 | 54.12 | 17.10 | 8.15 | 0.74 | 0.39 | 12.70 | 2.27 |
| INAC036 | 36 | 40 | 996.02 | 247.92 | 971.10 | 24.92 | 83.43 | 103.32 | 748.10 | 2.75 | 1.34 | 0.66 | 4.23 | 0.47 | 127.25 | 0.18 | 66.48 | 21.39 | 7.89 | 0.58 | 0.33 | 12.95 | 1.42 |
| INAC035 | 36 | 37 | 1959.12 | 1386.69 | 1808.90 | 150.22 | 448.65 | 559.22 | 572.43 | 19.86 | 8.60 | 5.50 | 28.70 | 3.33 | 729.48 | 1.00 | 348.75 | 113.70 | 44.53 | 3.68 | 1.18 | 70.86 | 7.52 |
| INAC033 | 24 | 28 | 1440.71 | 686.47 | 1319.07 | 121.64 | 262.12 | 288.09 | 754.24 | 14.12 | 6.60 | 4.89 | 17.40 | 2.43 | 310.79 | 0.65 | 173.79 | 54.74 | 25.51 | 2.53 | 0.89 | 66.80 | 5.34 |
| INAC033 | 28 | 33 | 1770.83 | 897.44 | 1622.65 | 148.18 | 344.65 | 380.61 | 873.39 | 15.78 | 7.90 | 5.80 | 22.01 | 2.85 | 409.31 | 0.74 | 236.78 | 71.17 | 32.00 | 2.86 | 0.95 | 83.43 | 5.85 |

TREO (Total Rare Earth Oxide) = $La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Y_2O_3 + Lu_2O_3$.

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|---|---|
| | • TREO-Ce = TREO – $CeO_2$ |
| light | • LREO (Light Rare Earth Oxide) = $La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3$ |
| heavy | • HREO (Heavy Rare Earth Oxide) = $Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Y_2O_3 + Lu_2O_3$ |
| **Critical** | **• CREO (Critical Rare Earth Oxide) = $Nd_2O_3 + Eu_2O_3 + Tb_4O_7 + Dy_2O_3 + Y_2O_3$** |
| ***Magnetic*** | ***• MREO (Magnetic Rare Earth Oxide) = $Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3$.*** |

*Table 2: Rare Earth Element (ppm) results of all re-analysed samples.*

| Hole_ID | From | To | Ce_ppm | Dy_ppm | Er_ppm | Eu_ppm | Gd_ppm | Ho_ppm | La_ppm | Lu_ppm | Nd_ppm | Pr_ppm | Sm_ppm | Tb_ppm | Tm_ppm | Y_ppm | Yb_ppm |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INAC004 | 36 | 40 | 1335.00 | 5.60 | 2.22 | 2.50 | 10.30 | 0.89 | 384.00 | 0.20 | 165.50 | 55.40 | 18.60 | 1.21 | 0.29 | 21.50 | 1.66 |
| INAC004 | 40 | 44 | 585.00 | 5.33 | 2.59 | 2.21 | 9.29 | 0.95 | 223.00 | 0.24 | 125.00 | 37.80 | 14.95 | 1.09 | 0.31 | 26.20 | 1.72 |
| INAC005 | 24 | 28 | 54.20 | 1.13 | 0.77 | 0.41 | 1.58 | 0.22 | 48.20 | 0.16 | 17.90 | 6.05 | 2.42 | 0.22 | 0.22 | 5.80 | 0.89 |
| INAC005 | 28 | 32 | 237.00 | 2.26 | 1.18 | 1.12 | 3.76 | 0.43 | 171.00 | 0.20 | 70.30 | 24.70 | 7.32 | 0.47 | 0.22 | 9.80 | 1.26 |
| INAC005 | 32 | 36 | 936.00 | 7.36 | 2.91 | 4.63 | 15.25 | 1.20 | 430.00 | 0.25 | 276.00 | 80.40 | 32.10 | 1.69 | 0.39 | 26.30 | 2.03 |
| INAC008 | 12 | 16 | 649.00 | 4.74 | 2.10 | 2.61 | 9.16 | 0.79 | 263.00 | 0.21 | 150.50 | 46.50 | 18.20 | 1.05 | 0.32 | 18.00 | 1.50 |
| INAC024 | 0 | 4 | 754.00 | 6.91 | 4.15 | 1.38 | 6.66 | 1.38 | 38.20 | 0.58 | 39.60 | 11.25 | 8.25 | 1.19 | 0.67 | 26.30 | 4.32 |
| INAC025 | 16 | 20 | 752.00 | 7.89 | 3.86 | 3.46 | 18.90 | 1.43 | 953.00 | 0.49 | 385.00 | 126.50 | 35.60 | 1.83 | 0.50 | 41.90 | 3.19 |
| INAC027 | 20 | 24 | 867.00 | 42.10 | 17.25 | 19.75 | 74.70 | 7.16 | 1415.00 | 1.58 | 713.00 | 218.00 | 94.60 | 8.75 | 1.96 | 184.00 | 11.90 |
| INAC027 | 24 | 28 | 737.00 | 15.80 | 9.22 | 4.77 | 25.30 | 3.31 | 568.00 | 1.04 | 240.00 | 76.90 | 28.40 | 2.94 | 1.16 | 111.00 | 6.46 |
| INAC027 | 32 | 36 | 735.00 | 11.75 | 6.19 | 4.25 | 19.70 | 2.23 | 531.00 | 0.71 | 224.00 | 72.20 | 25.90 | 2.18 | 0.78 | 75.40 | 4.66 |
| INAC037 | 32 | 36 | 678 | 3.31 | 1.71 | 0.7 | 3.94 | 0.56 | 65.6 | 0.27 | 46.4 | 14.15 | 7.03 | 0.63 | 0.34 | 10 | 1.99 |
| INAC036 | 36 | 40 | 609 | 2.4 | 1.17 | 0.57 | 3.67 | 0.41 | 108.5 | 0.16 | 57 | 17.7 | 6.8 | 0.49 | 0.29 | 10.2 | 1.25 |
| INAC035 | 36 | 37 | 466 | 17.3 | 7.52 | 4.75 | 24.9 | 2.91 | 622 | 0.88 | 299 | 94.1 | 38.4 | 3.13 | 1.03 | 55.8 | 6.6 |
| INAC033 | 24 | 28 | 614 | 12.3 | 5.77 | 4.22 | 15.1 | 2.12 | 265 | 0.57 | 149 | 45.3 | 22 | 2.15 | 0.78 | 52.6 | 4.69 |
| INAC033 | 28 | 33 | 711 | 13.75 | 6.91 | 5.01 | 19.1 | 2.49 | 349 | 0.65 | 203 | 58.9 | 27.6 | 2.43 | 0.83 | 65.7 | 5.14 |

*Table 3: Collar Locations*

| Hole ID | East | North | Azimuth | Dip | Depth | Project |
|---|---|---|---|---|---|---|
| INAC001 | 461104 | 7159802 | 270 | -60 | 83 | Innouendy |
| INAC002 | 461027 | 7159805 | 270 | -60 | 46 | Innouendy |
| INAC003 | 461005 | 7159800 | 270 | -60 | 53 | Innouendy |
| INAC004 | 460950 | 7159797 | 270 | -60 | 48 | Innouendy |
| INAC005 | 460902 | 7159802 | 270 | -60 | 48 | Innouendy |
| INAC006 | 460851 | 7159797 | 270 | -60 | 39 | Innouendy |
| INAC007 | 460797 | 7159794 | 270 | -60 | 28 | Innouendy |
| INAC008 | 460751 | 7159798 | 270 | -60 | 20 | Innouendy |

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|---|---|---|---|---|---|---|
| INAC009 | 460702 | 7159796 | 270 | -60 | 10 | Innouendy |
| INAC010 | 460625 | 7159801 | 270 | -60 | 10 | Innouendy |
| INAC011 | 460600 | 7159795 | 270 | -60 | 11 | Innouendy |
| INAC012 | 460551 | 7159795 | 270 | -60 | 10 | Innouendy |
| INAC013 | 460000 | 7159599 | 270 | -60 | 8 | Innouendy |
| INAC014 | 459950 | 7159600 | 270 | -60 | 4 | Innouendy |
| INAC015 | 459904 | 7159603 | 270 | -60 | 5 | Innouendy |
| INAC016 | 459849 | 7159600 | 270 | -60 | 10 | Innouendy |
| INAC017 | 459796 | 7159598 | 270 | -60 | 4 | Innouendy |
| INAC018 | 459754 | 7159591 | 270 | -60 | 30 | Innouendy |
| INAC019 | 461002 | 7160198 | 270 | -60 | 60 | Innouendy |
| INAC020 | 460951 | 7160202 | 270 | -60 | 45 | Innouendy |
| INAC021 | 460903 | 7160202 | 270 | -60 | 53 | Innouendy |
| INAC022 | 460851 | 7160199 | 270 | -60 | 16 | Innouendy |
| INAC023 | 460746 | 7160202 | 270 | -60 | 26 | Innouendy |
| INAC023A | 460704 | 7160211 | 270 | -60 | 24 | Innouendy |
| INAC024 | 460644 | 7160204 | 270 | -60 | 32 | Innouendy |
| INAC025 | 460601 | 7160202 | 270 | -60 | 56 | Innouendy |
| INAC026 | 460504 | 7160202 | 270 | -60 | 27 | Innouendy |
| INAC027 | 460452 | 7160200 | 270 | -60 | 56 | Innouendy |
| INAC028 | 458602 | 7157611 | 270 | -60 | 28 | Innouendy |
| INAC029 | 458553 | 7157607 | 270 | -60 | 13 | Innouendy |
| INAC030 | 458499 | 7157596 | 270 | -60 | 22 | Innouendy |
| INAC031 | 458450 | 7157595 | 270 | -60 | 16 | Innouendy |
| INAC032 | 458402 | 7157592 | 270 | -60 | 28 | Innouendy |
| INAC033 | 458545 | 7157192 | 270 | -60 | 33 | Innouendy |
| INAC034 | 458501 | 7157190 | 270 | -60 | 21 | Innouendy |
| INAC035 | 458473 | 7157186 | 270 | -60 | 37 | Innouendy |
| INAC036 | 458449 | 7157188 | 270 | -60 | 47 | Innouendy |
| INAC037 | 458403 | 7157188 | 270 | -60 | 62 | Innouendy |
| INAC038 | 458347 | 7157191 | 270 | -60 | 64 | Innouendy |
| INAC039 | 452950 | 7153098 | 270 | -70 | 78 | Innouendy |
| INAC040 | 452852 | 7153106 | 270 | -70 | 63 | Innouendy |
| INAC041 | 452749 | 7153101 | 270 | -70 | 90 | Innouendy |
| INAC042 | 452649 | 7153106 | 270 | -70 | 73 | Innouendy |

| | | | | | | |
|---|---|---|---|---|---|---|
| INAC043 | 452550 | 7153109 | 270 | -70 | 27 | Innouendy |
| INAC044 | 452455 | 7153113 | 270 | -70 | 75 | Innouendy |
| INAC045 | 452358 | 7153107 | 270 | -70 | 60 | Innouendy |
| INAC046 | 452251 | 7153107 | 270 | -70 | 28 | Innouendy |
| INAC047 | 452151 | 7153111 | 270 | -70 | 30 | Innouendy |
| INAC048 | 452053 | 7153107 | 270 | -70 | 37 | Innouendy |

# 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* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | • Aircore (AC) drilling samples were collected as 1-m samples from the rig cyclone and placed on the ground in separate piles. These 1-m sample piles were then sampled using a plastic PVC tube ("spear") to collect a composite sample in the ratio of one sample for every four metres. One 1-m spear sample was collected as the last sample from INAC034. The 4-m composite samples and the one 1-m sample were then sent for analysis. The Competent Person considers the quality of the sampling to be fit for the purpose of early/reconnaissance exploration. |
| *Drilling techniques* | • *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.).* | • INAC001-INAC0048 Aircore to blade refusal at EOH with a face sampling bit. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Chip recoveries were monitored for consistent sample size for each metre.<br>• Appropriate measures were taken to maximise recovery and ensure representative nature of the samples, including efforts to keep the drill holes as dry as possible.<br>• No relationship between recovery and grade has been observed. |
| *Logging* | • *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All drill holes are logged in their entirety. Qualitative descriptions of mineralogy, mineralisation, weathering, lithology, colour and other features are recorded. A sample of every metre is permanently retained in chip trays for any follow-up logging. Logging is sufficient to support early exploration studies. |
| *Sub-sampling and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • AC chips were sampled with a “spear” (PVC tube) from the 1m sample piles and composited to make roughly 4-kg, 4-m composite samples. The single 1-m spear sample was approximately 2 kg in size. Where a sample was wet, it was dried in the sun before composite samples were collected. Samples underwent sample preparation at ALS Perth following method PREP31: Dry, Crush, Split and Pulverize – samples were first weighed, then crushed to >70% of the sample passing 2 mm, then split using riffle splitter. A sample split of up to 250 g was then pulverized to >85 % of the sample passing -75 microns.<br>• Duplicates were submitted for analysis at a rate of approximately 1 per 20 samples, for quality control. The variability observed in duplicate sample results are considered appropriate by the Competent Person. The quality of the sub-sampling is considered fit for the purpose of early/reconnaissance exploration.<br>• The Competent Person considers drill sample sizes to be appropriate for the style of mineralisation and the nature of the drilling program. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *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.* | • AC samples underwent sample preparation and geochemical analysis by ALS Perth. Rare Earth Elements were analysed by Lithium borate fusion with an ICP-MS finish (ALS Method code FUS-LI01, ME-MS81).<br>• Standards and blanks were submitted in the sample stream at a rate of approximately 1 per 20 samples. The laboratory conducted its own checks which were also monitored. No contamination was detected. The Competent Person considers the accuracy and precision of the geochemical data to be fit for purpose. |
| *Verification of assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • The Desert Metals Exploration Manager has personally inspected all core and chips.<br>• No twin holes have been completed.<br>• Primary drill data were collected manually on paper and digitally using Excel software before being transferred to the master database in mining software package Micromine.<br>• Conversion of elemental analysis (REE parts per million, Table 2) to oxide (REO parts per million, Table 1) was using the below element to oxide conversion factors.<br>Element - Conversion Factor - Oxide Form<br>Ce 1.2284 $CeO_2$<br>Dy 1.1477 $Dy_2O_3$<br>Er 1.1435 $Er_2O_3$<br>Eu 1.1579 $Eu_2O_3$<br>Gd 1.1526 $Gd_2O_3$<br>Ho 1.1455 $Ho_2O_3$<br>La 1.1728 $La_2O_3$<br>Lu 1.1371 $Lu_2O_3$<br>Nd 1.1664 $Nd_2O_3$ |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Pr 1.2083 $Pr_6O_{11}$<br>Sm 1.1596 $Sm_2O_3$<br>Tb 1.1762 $Tb_4O_7$<br>Tm 1.1421 $Tm_2O_3$<br>Y 1.2699 $Y_2O_3$<br>Yb 1.1387 $Yb_2O_3$<br>• Rare earth oxide is the industry-accepted form for reporting rare earth analytical results. The following calculations are used for compiling REO into their reporting and evaluation groups:<br>o TREO (Total Rare Earth Oxide) = $La_2O_3$ + $CeO_2$ + $Pr_6O_{11}$ + $Nd_2O_3$ + $Sm_2O_3$ + $Eu_2O_3$ + $Gd_2O_3$ + $Tb_4O_7$ + $Dy_2O_3$ + $Ho_2O_3$ + $Er_2O_3$ + $Tm_2O_3$ + $Yb_2O_3$ + $Y_2O_3$ + $Lu_2O_3$<br>o TREO-Ce = TREO – $CeO_2$<br>o LREO (Light Rare Earth Oxide) = $La_2O_3$ + $CeO_2$ + $Pr_6O_{11}$ + $Nd_2O_3$ + $Sm_2O_3$<br>o HREO (Heavy Rare Earth Oxide) = $Eu_2O_3$ + $Gd_2O_3$ + $Tb_4O7$ + $Dy_2O_3$ + $Ho_2O_3$ + $Er_2O_3$ + $Tm_2O_3$ + $Yb_2O_3$ + $Y_2O_3$ + $Lu_2O_3$<br>o CREO (Critical Rare Earth Oxide) = $Nd_2O_3$ + $Eu_2O_3$ + $Tb_4O_7$ + $Dy_2O_3$ + $Y_2O_3$<br>o MREO (Magnetic Rare Earth Oxide) = $Pr_6O_{11}$ + $Nd_2O_3$ + $Sm_2O_3$ + $Gd_2O_3$ + $Tb_4O_7$ + $Dy_2O_3$. |
| *Location of data points* | • *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control* | • Drill hole collar locations were surveyed using handheld GPS.<br>• Expected accuracy for collar surveys is ± 3 m.<br>• Down-hole surveys were taken by north-seeking gyro with readings at the surface and then approximately every 3 m downhole.<br>• The grid system is MGA GDA94 (zone 50), local easting and northing are MGA.<br>• Topographic surface uses handheld GPS elevation data, which is adequate for the current stage of the project. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drilling to date has been reconnaissance in nature; the spacing is insufficient to make any conclusions as to the context, size, or extent of the mineralisation.<br>• Data spacing and distribution is not sufficient to allow the estimation of mineral resources.<br>• AC drill samples were composted on site to create 4-m composite samples, with 1-m samples taken near end of hole. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of the sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • It is not known whether the orientation of the sampling achieved unbiased sampling of possible structures; however, it is considered unlikely by the Competent Person.<br>• It is not known if the relationship between the drilling orientation and the orientation of key mineralised structures has introduced a sampling bias; however, it is considered unlikely by the Competent Person. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Samples were sealed in polyweave bags that were cable-tied closed and stored securely on site until transported by company personnel to the lab. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • 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 |
|---|---|---|
| *Mineral tenement and land tenure status* | • *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.*<br>• *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.* | • Surveys were conducted within DM1 100%-owned Exploration License E9/2330.<br>• All tenements are in good standing with DMIRS. DM1 is unaware of any impediments for exploration on these licenses. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties* | • The tenements have had very limited published or open file exploration work for magmatic nickel type deposits.<br>• Limited exploration undertaken to date by past explorers was mostly focused on iron ore, and, to a lesser extent, gold.<br>• The main exploration that is relevant to Desert Metals is described in the prospectus downloadable from the Company's website. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • 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.<br>• The 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* | • *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:*<br>  ○ *easting and northing of the drill hole collars*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length*<br>*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.* | • Refer to table in body of the report. |
| *Data aggregation methods* | • *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.*<br>• *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.*<br>• *The assumption used for any reporting of metal equivalent values should be clearly stated.* | • Results from sample intervals (mostly 4-m composites) are reported in Table 1 and Table 2. Significant intercepts were aggregated in Figure 1 by length-weighted averaging above a cut-off of 1,000 ppm TREO with no internal dilution allowed and no top-cuts were applied.<br>• Assay results of REE are reported in ppm and the conversion of elemental analysis (REE parts per million) to stoichiometric oxide (REO parts per million) was undertaken using stoichiometric oxide conversion factors. |
| *Relationship between mineralisation* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | • The relationship between drill hole orientations and mineralisation is unknown at this stage. All results are reported as downhole intervals/widths. |
| *widths and intercept lengths* | • *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').* | |
| *Diagrams* | • *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.* | • Refer to Figure in body of text.<br>• All drillhole assay results are summarised in tables in the report. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Balanced reporting* | • *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.* | • All results are reported transparently in the report. |
| *Other substantive exploration data* | • *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.* | • All new and relevant data have been reported. |
| *Further work* | • *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.* | • Adjacent samples have been re-submitted for REE analyses with results pending.<br>• A full review of the results to date will be undertaken prior to any future programs being executed.<br>• An extensive follow-up drill program is being planned to define the extent of the mineralisation |