ASX RELEASE 18 JULY 2023

Exploration update - Gold Projects

Belele – Drill assays received.

Mt Opal – up to 17g/t Au in grab samples.

Little Gap Well – up to 1g/t Au, 3.8% Cu in grab samples

Desert Metals (ASX:DM1) is pleased to advise that the Company has now received assays from its drill program at Belele, as well as from rock chip samples taken from Little Gap Well and Mount Opal.

Highlights:

- Drilling at **Belele** has confirmed the presence of a greenstone sequence up to 3km wide over the full 15km strike extent of the licence area. Shearing, alteration, and veining were variably encountered in the 79 holes completed. Only low level gold anomalism was encountered (maximum value 58ppb), however in the context of the sample spacing (widely spaced holes), the Company is encouraged by this first pass program.
- Several historic workings have been located within both the Little Gap Well and Mount Opal projects, with grab samples returning values up to 17g/t gold and 3.8% copper.
- Approximately 1100 soil samples and 200 rock samples have been collected at Little Gap Well, the majority of which have been submitted for analysis. Once these results have been received the Company will decide whether or not to proceed with the option to acquire these projects.

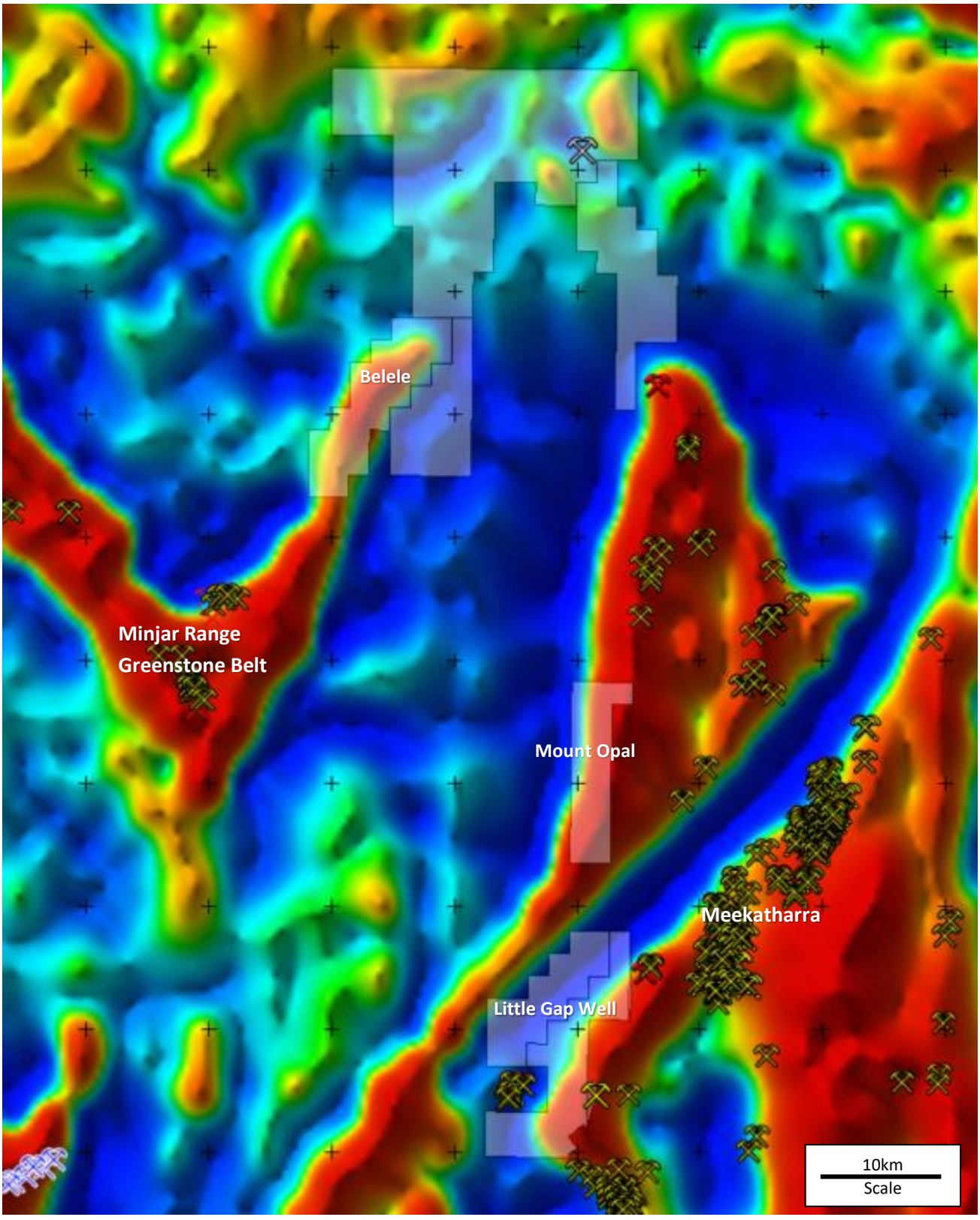

Figure 1. Desert Metals Gold Projects, Meekathara District. (Background image is Gravity)

Belele Project

The regional reconnaissance aircore drilling program testing the extent of greenstone under cover along an unexplored extension of the Mingah Range Greenstone belt was successful in confirming the belt extends through the entire 16km of tenement E51/1907 and is up to 3km wide.

The drilling encountered a greenstone sequence of predominantly mafic volcanics with minor sediments and gabbroic to ultramafic intrusives (Figure 2). The sequence was variably sheared with evidence of potassic alteration, and quartz veining in some holes.

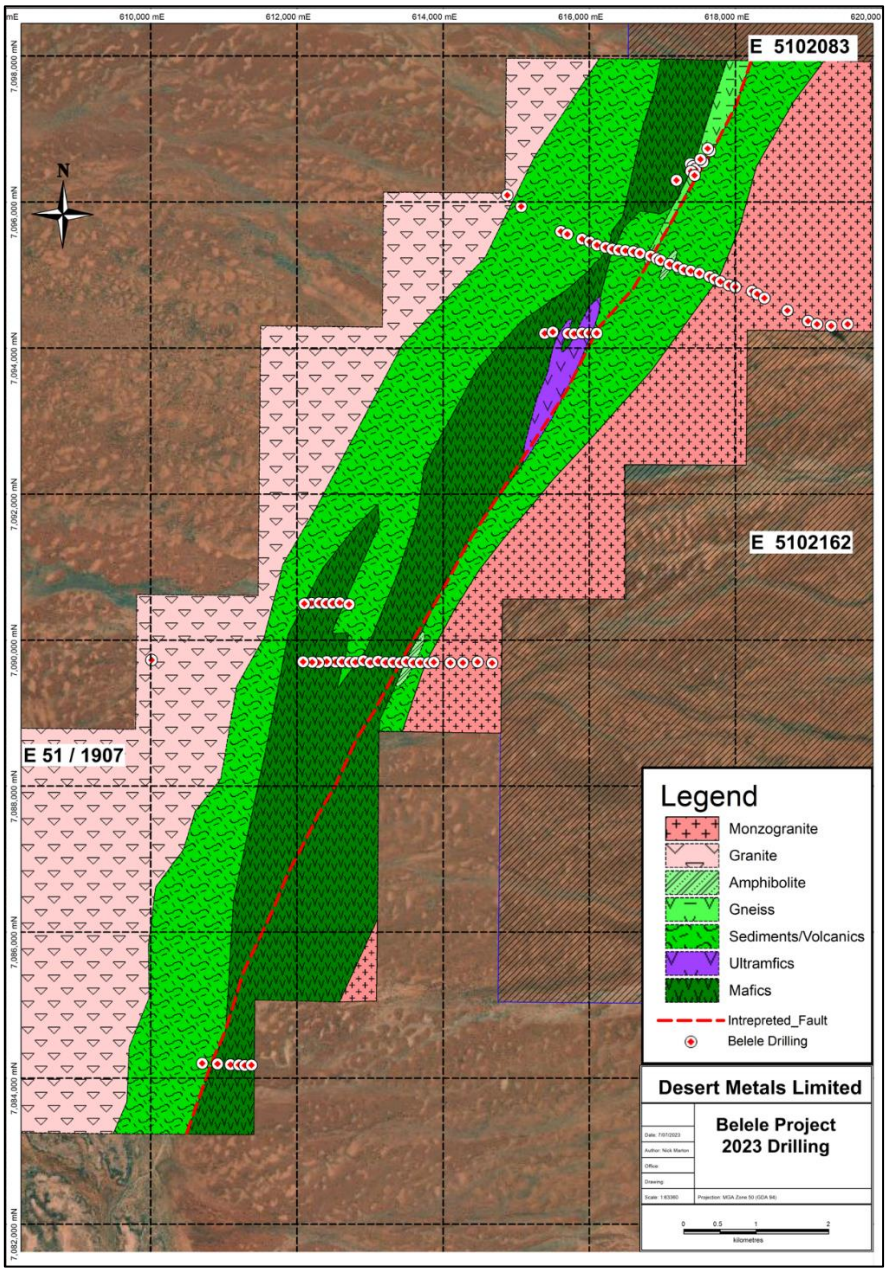

Figure 2 Interpreted Geology based on Drilling within Belele license EL51/1907.

The assays from the drilling returned only low level gold anomalism (maximum value 58ppb Au). Copper values peaked at 267ppm and nickel at 0.118% (Table 1).

Table 1. Belele Drilling - Anomalous Results

Hole ID	Depth From	Depth To	Interval (m)	Au ppb	Cu ppm	Ni %
BLAC010	20	24	4	**42**		
BLAC037	48	54 (EOH)	8			**0.118**
BLAC038	28	30 (EOH)	2			**0.103**
BLAC048	98	102	4		**151**	**0.107**
BLAC048	116	118	2	**58**		
BLAC048	122	123	1		**216**	
BLAC057	36	40	4		**207**	
BLAC060	40	52 (EOH)	12		**236**	
BLAC067	76	84	8		**267**	

While low, these values are considered encouraging given that the drill traverses are up to several kilometres apart and that no previous effective exploration has taken place over the tenement due to the transported cover sequence blanketing the greenstone belt. The shearing, alteration and veining encountered also provide encouragement to persist with exploration in the belt.

Little Gap Well, Mt Opal Prospects

DM1 has secured a three month exclusive due diligence period to review two projects approximately 30km and 50km south of Belele, within the Meekatharra gold district (Figure 1).

Initial reconnaissance at the projects located several historic workings as well as numerous areas of more recent gold prospecting (metal detecting). Several grab samples were taken and returned encouraging results (Figure 3).

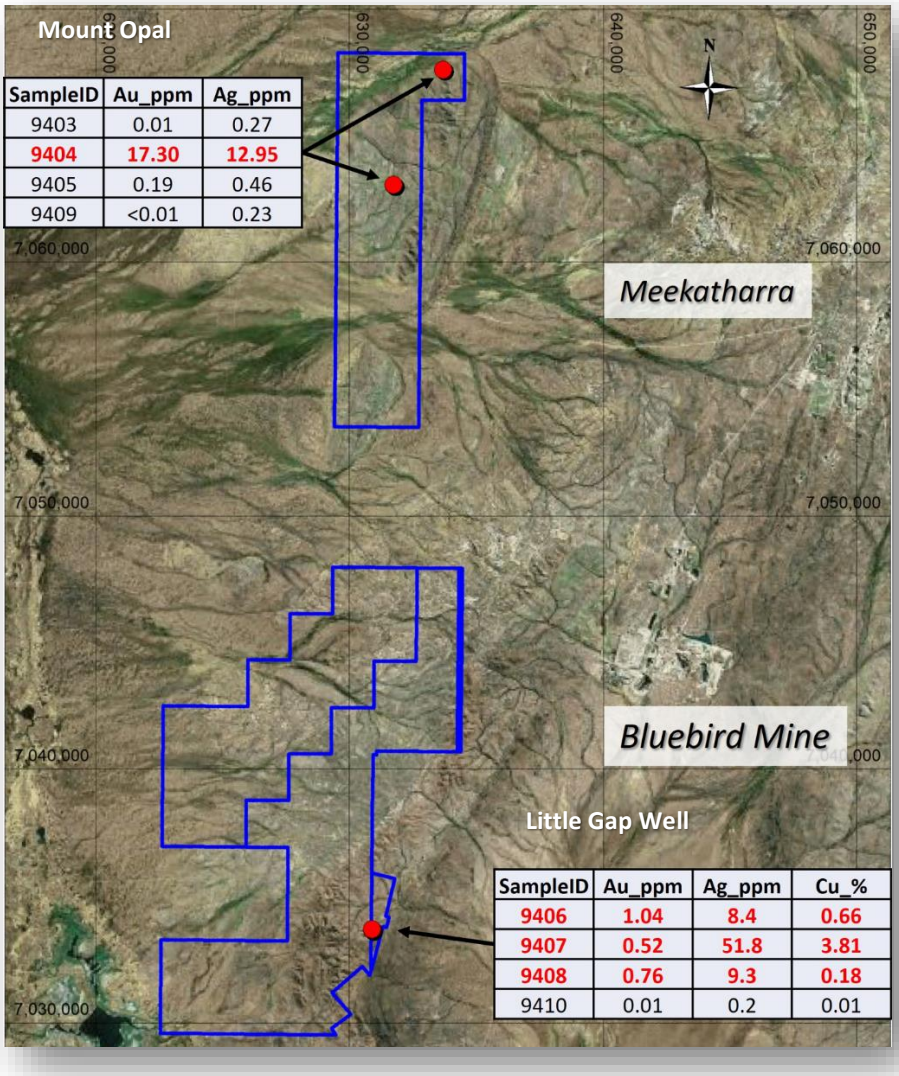

Figure 3. Grab Samples from Little Gap Well and Mount Opal

The best result at Mount Opal of 17.3g/t Au was returned from the historic AJAX Mine working (Figure 4). The sample was taken from the mullock pile at the main shaft which is at least 10m deep. The sample comprised sheared and potassically altered wall rock with no appreciable quartz veining. This line of workings does not appear to have been adequately tested by drilling.

Figure 4. Ajax Mine Historic Working, with inset of mullock material which assayed 17.3g/t Au.

At the Little Gap Well project gold up to 1g/t and copper up to 3.8% were returned from grab samples from the historic Little Gap Well workings (Figure 3). This line of workings appears to have potential for Volcanogenic Massive Sulphide (VMS) mineralisation.

As part of the due diligence process an extensive soil sampling program has been completed at Little Gap well (Figure 5). Once these results have been received the Company will finalised its decision on whether to proceed with the option to acquire these projects.

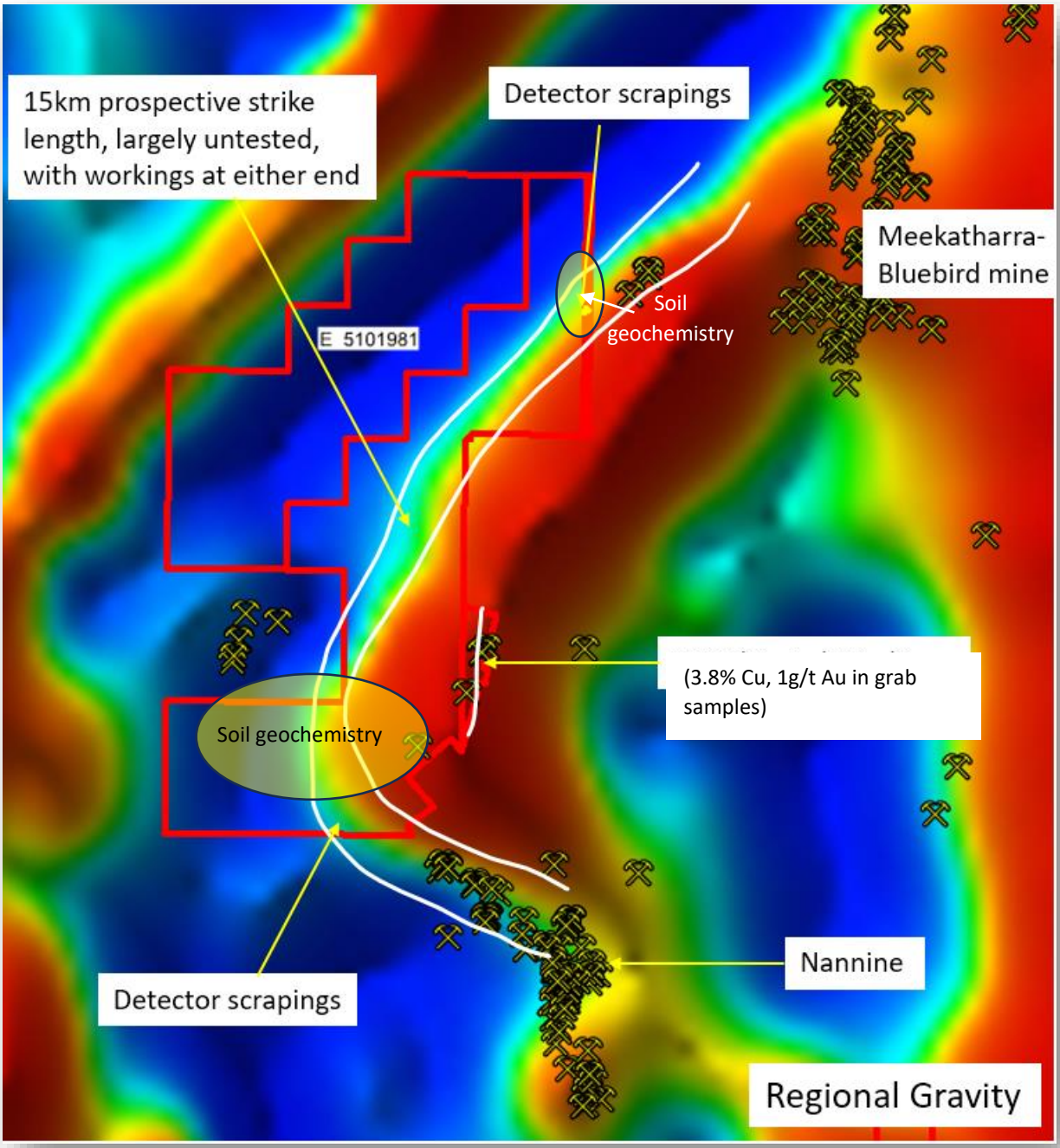

Figure 5 Little gap Well Project, with approximate areas covered by due diligence soil geochemistry.

Subject to successful due diligence, DM1 has the Option to Acquire up to 80% of the Little Gap Well and Mount Opal projects from private company Diversified Asset Holdings Pty Ltd, via staged payments of cash and shares as follows:

- Stage 1: Option to Acquire a 60% interest in the Projects for $50,000 cash, 2,500,000 shares and 1,250,000 share options at 15c.

- Stage 2: Option to Acquire an additional 20% interest (80% total interest) in the Projects for 4,500,000 shares and 2,250,000 share options in DM1 at 15c. The Option period expires 12 months from commencement of the due diligence period. In addition, a 1% Net Smelter Royalty (NSR) shall be granted to the vendor over the Projects, with DM1 having the right to buy back 50% of the NSR for $1,000,000 within five years of the date of its grant. DM1 also has Right of First Refusal rights to acquire the remaining 20% of the project.

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 Tony Worth, a competent person who is a member of the Australasian Institute of Geoscientists. Mr Worth 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. Mr Worth is a related party of the Company, being a Director, and holds securities in the Company. Mr Worth has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 1 – Belele Air Core Drilling

Hole ID	Easting	Northing	RL	Hole_Depth	Dip	Azimuth
BLAC001	614877	7096094	440	150	-60	270
BLAC002	615068	7095938	442	150	-90	360
BLAC003	615610	7095599	440	120	-90	360
BLAC004	615698	7095559	440	105	-90	360
BLAC005	615901	7095494	440	111	-90	360
BLAC006	616004	7095456	440	88	-90	360
BLAC007	616103	7095411	440	73	-90	360
BLAC008	616222	7095379	440	69	-60	270
BLAC009	616313	7095357	440	44	-60	270
BLAC010	616399	7095342	440	28	-60	270
BLAC011	616493	7095334	440	27	-60	270
BLAC012	616603	7095320	440	19	-60	270
BLAC013	616693	7095300	440	18	-60	270
BLAC014	616836	7095262	440	17	-60	270
BLAC015	616923	7095224	440	16	-60	270
BLAC016	616972	7095202	440	15	-60	270
BLAC017	617096	7095148	440	15	-60	270
BLAC018	617207	7095114	440	17	-60	270
BLAC019	617292	7095075	444	11	-60	270
BLAC020	617388	7095056	443	11	-60	270
BLAC021	617506	7095025	444	11	-60	270
BLAC022	617644	7094980	448	12	-60	270
BLAC023	617714	7094946	449	15	-60	270
BLAC024	617793	7094911	458	33	-60	270
BLAC025	617909	7094865	458	62	-60	270
BLAC026	617998	7094839	472	88	-60	270
BLAC027	618224	7094779	472	82	-60	270
BLAC028	618294	7094740	454	55	-60	270
BLAC029	618393	7094685	466	58	-60	270
BLAC030	618708	7094516	480	76	-60	270
BLAC031	618990	7094370	486	94	-60	270
BLAC032	619115	7094328	453	44	-60	270
BLAC033	619307	7094303	455	60	-60	270
BLAC034	619533	7094327	474	34	-60	270
BLAC035	615709	7094200	474	89	-60	270
BLAC036	615793	7094197	470	102	-60	270
BLAC037	615900	7094206	442	54	-60	270
BLAC038	615594	7094205	449	30	-60	270
BLAC039	616100	7094204	446	25	-60	270
BLAC040	612199	7090503	443	75	-60	270

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Hole ID	Easting	Northing	RL	Hole_Depth	Dip	Azimuth
BLAC041	612304	7090508	446	60	-60	270
BLAC042	612394	7090503	446	51	-60	270
BLAC043	612488	7090505	444	45	-60	270
BLAC044	612585	7090512	443	41	-60	270
BLAC045	612713	7090490	443	35	-60	270
BLAC046	612100	7090499	421	82	-60	270
BLAC047	612417	7089700	421	75	-60	270
BLAC048	612528	7089702	420	124	-60	270
BLAC049	612616	7089703	421	74	-60	270
BLAC050	612721	7089699	421	75	-60	270
BLAC051	612800	7089699	433	81	-60	270
BLAC052	612907	7089716	430	69	-60	270
BLAC053	613002	7089692	433	63	-60	270
BLAC054	613110	7089712	436	43	-60	270
BLAC055	613214	7089694	431	43	-60	270
BLAC056	613313	7089695	430	41	-60	270
BLAC057	613409	7089689	461	62	-60	270
BLAC058	613497	7089707	460	45	-60	270
BLAC059	613593	7089691	463	50	-60	270
BLAC060	613688	7089689	462	52	-60	270
BLAC061	613799	7089691	462	57	-60	270
BLAC062	613871	7089697	460	51	-60	270
BLAC063	614097	7089691	460	57	-60	270
BLAC064	614270	7089689	460	61	-60	270
BLAC065	614471	7089700	460	93	-60	270
BLAC066	614669	7089686	460	111	-60	270
BLAC067	612405	7089707	447	87	-90	360
BLAC068	610703	7084203	420	102	-90	360
BLAC069	610912	7084195	420	97	-90	360
BLAC070	611090	7084184	428	81	-90	360
BLAC071	611205	7084182	430	63	-90	360
BLAC072	611287	7084174	448	64	-60	270
BLAC073	611377	7084180	449	47	-60	270
BLAC074	615389	7094200	430	96	-90	360
BLAC075	615500	7094220	430	108	-90	360
BLAC076	612297	7089693	430	85	-90	360
BLAC077	612206	7089698	430	86	-90	360
BLAC078	612084	7089703	430	111	-90	360
BLAC079	610012	7089727	430	141	-90	360

JORC Code, 2012 Edition – Table 1 report template

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 (eg 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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg 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. The 4-m composite samples were then sent for analysis. The Competent Person considers the quality of the sampling to be fit for the purpose of early/reconnaissance exploration. • Samples Resported in this release are surface rock chips collected from various pits and workings across the project area. The rock samples collected between 0.5kg and 3kg in weight.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• BLAC001-BLAC079 Aircore to blade refusal at EOH with a face sampling bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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. • 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. • 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.*	• 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

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	support early exploration studies. • Rock samples were collected as part of a reconnaissance geological mapping program. Qualitative field logging of the rocks were carried out including lithology, alteration and mineralogy.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *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. • 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. • The Competent Person considers drill sample sizes to be appropriate for the style of mineralisation and the nature of the drilling program. • Rock samples were collected from pits and workings. • No field sub-sampling techniques were employed.
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.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• AC and Rock samples underwent sample preparation and geochemical analysis by ALS Perth with Fire assay. Rare Earth Elements were analysed by Lithium borate fusion with an ICP-MS finish (ALS Method code FUS-LI01, ME-MS81). • Standards and blanks were submitted in the sample stream at a rate of approximately 1 per 30 samples for Standards, 1 per 20 samples for Blanks. 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 sampling and assaying	• *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*	• The Desert Metals Exploration Manager has personally inspected all AC chips. • Primary drill data was collected manually on paper and digitally using Excel software before being transferred to the master Access

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>verification, data storage (physical and electronic) protocols.
• Discuss any adjustment to assay data.</td><td>database before being transferred into in mining software packages.
• All measurements and observations were recorded digitally and entered into the company’s database. Data verification and validation is checked upon entry into the database.
• No adjustments were made to the assay data</td></tr>
<tr><td>Location of data points</td><td>• 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.</td><td>• Drill hole collar and rock sample locations were surveyed using handheld GPS.
• Expected accuracy for collar and sample surveys is ± 3 m.
• Drill collar orientation was by compass and inclinometer.
• 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
• For location of Drill Collars refer to table in body of the report.
• For Little Gap well Rock Samples:
<table>
<tr><th>Sample_ID</th><th>E_GDA94_50</th><th>N_GDA94_50</th><th>RL_m</th></tr>
<tr><td>9403</td><td>631808</td><td>7062994</td><td>486</td></tr>
<tr><td>9404</td><td>631787</td><td>7063000</td><td>487</td></tr>
<tr><td>9405</td><td>631779</td><td>7063012</td><td>487</td></tr>
<tr><td>9406</td><td>630934</td><td>7033632</td><td>475</td></tr>
<tr><td>9407</td><td>630934</td><td>7033625</td><td>476</td></tr>
<tr><td>9408</td><td>630929</td><td>7033612</td><td>477</td></tr>
<tr><td>9409</td><td>633742</td><td>7067558</td><td>504</td></tr>
<tr><td>9410</td><td>630932</td><td>7033632</td><td>475</td></tr>
</table></td></tr>
<tr><td>Data spacing and distribution</td><td>• Data spacing for reporting of Exploration Results.
• 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.
• Whether sample compositing has been applied.</td><td>• 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.
• Data spacing and distribution is not sufficient to allow the estimation of mineral resources.
• AC drill samples were composted on site to create 4-m composite samples.</td></tr>
<tr><td>Orientation of data in relation to</td><td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</td><td>• 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.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
geological structure	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• 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 cabletied 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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Surveys were conducted within DM1 100%-owned Exploration License E51/1907. • 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 VMS or Ni intrusive 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
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation anticipated to be related to mantle-derived intrusives intersected by trending linear structures. • Mineralisation anticipated to be related to Volcanic hosted massive sulphide style deposits • Mineralisation anticipated to be related to orogenic style gold deposits
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:* ○ *easting and northing of the drill hole collar*	Refer to table in body of the report.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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 report
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate 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 aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The reported intervals used only 4m composite sample data.
Relationship between mineralisation widths and intercept lengths	• *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.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The relationship between drill hole orientations and mineralisation is unknown at this stage. All results are reported as downhole intervals/widths.
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 figures in body of text. • No significant assay results were intersected
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 new 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*	• All new and relevant data have been reported.

Criteria	JORC Code explanation	Commentary
	deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg 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.*	• Further work will depend on additional pending results and whether the Company exercises its option to acquire the Little Gap Well and Mount Opal Projects