

ASX RELEASE 28 JANUARY 2021

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BOARD:

Mr Mark Stewart
Chairman

Dr Robert Stuart
Managing Director

Mr Tony Worth
Director

HEAD OFFICE

Level 2, 41-43 Ord St.
West Perth WA 6005

Email:

admin@desertmetals.com.au

Website:

www.desertmetals.com.au

Quarterly Activities Report – Quarter ended 31 December 2020

- The Company issued 10,000,000 shares in a pre-IPO funding at an issue price of 10¢ to raise \$1,000,000
- 25,000,000 shares were issued at IPO at an issue price of 20¢ to successfully raise \$5,000,000 in a heavily oversubscribed offer
- The Company began trading on ASX on 18 December 2020
- New Resolution Geophysics contracted to collect over 2800-line km airborne EM data over the western licenses
- Licenses E52/3741, E52/3665, and E51/1907 which had been under application granted during the period.

Desert Metals Limited (“Desert” or the “Company”) is pleased to provide the following report on its activities for the quarter ended 31 December 2020.

Exploration Activities

On 05 November 2020, the Company was advised that its licenses for E52/3741, E52/3665 and E51/1907 had been granted. This brings the total number of granted licenses to 9 with none currently under application.

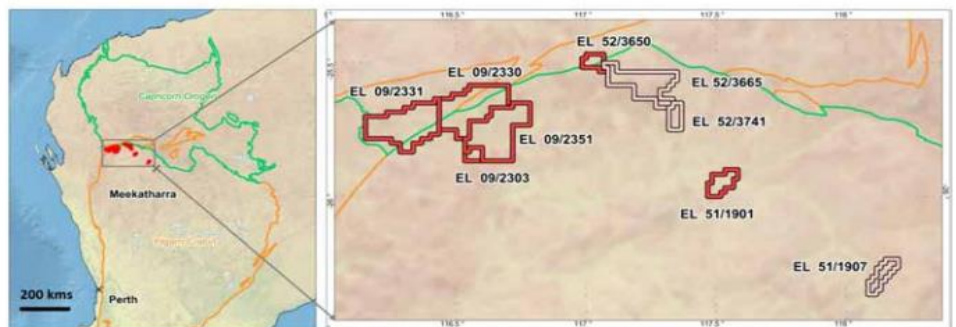


Figure 1: Location Map

Tenement	Prospect	Commodities Sought
E09/2303	Irrida Hill	Nickel, copper, gold
E09/2351	Irrida East	Nickel, copper, gold
E09/2330	Innouendy	Nickel, copper, gold
E09/2331	Opal Bore	Nickel, copper, gold
E51/1901	Hooper	Nickel, copper
E52/3650	Breakaway	Nickel, copper
EL52/3665	Dingo Pass	Nickel, copper, gold
EL51/1907	Belele	Copper, lead, zinc, gold
EL52/3741	Mt Gould	Nickel, copper, gold

Table 1: Company Tenements

New Resolution Geophysics was contracted to collect helicopter electromagnetic data over licenses E09/2303, E09/2330, E09/2351, E09/2331, the Irrida, Innouendy and Opal Bore licenses. These data are expected to provide additional targets to those drill ready at Innouendy and Irrida and any anomalies will be followed up with ground and/or down-hole EM.

There was no material activity to report for the quarter on exploration activities for E51/1901, E51/1907, E52/3650, E52/3665 or E52/3741.

During the quarter the Company also received approval from the WA Department of Mines, Industry Regulation and Safety (DMIRS) for its 2021 drilling to be co-funded up to \$150,000 via the EIS co-funded drilling grant.

Corporate

On 2 November 2020, the Company successfully raised \$1,000,000 via a placement of 10,000,000 fully paid ordinary shares at an issue price of \$0.10 to sophisticated and professional investors.

On 11 December 2020, the Company raised an additional \$5,000,000 via an Introductory Public Offer and placement of 25,000,000 shares at an issue price of \$0.20.

Both placements were heavily oversubscribed, and the Company began trading under ASX Code: DM1 on 18th December 2020.

Payments to Related Parties

The Company advises that the amount of \$58,189 paid to related parties in section 6.1 of the relevant appendix 5B was for director fees (\$50,933) and legal services (\$7,596) rendered to the Company.

Summary of Exploration Expenditure

In accordance with Listing rule 5.3.1 the Company advises the cash outflows on its mining exploration activities reported in 1.2(a) of its Appendix 5B for the December 2020 quarter are as follows:

E09/2330	\$154,920
E09/2331	\$150,843
E09/2351	\$126,425
E09/2303	\$73,697
TOTAL	\$505,885

Authorised by the Board of Desert Metals Limited.

For further details please contact:

Rob Stuart

Managing Director

Phone: +61 (8) 6458 4200

Tony Worth

Director

Phone: +61 (8) 6458 4200

Competent Person Statement

The information in this announcement 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 mineralisation 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 Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and 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.

Corporate Information

Joint Company Secretaries

Paul Heatley & Johnathon Busing

Forward shareholder enquiries to

Automic Group

Tel: 1300 288 664

Web: investor.automic.com.au

Issued Capital

As at the date of this report the total fully paid ordinary shares on issue were 55,000,000.

Tenement Information

In accordance with listing rule 5.3.3 - The table below shows the interest in tenements held by the Company.

TENID	TYPE	TENSTATUS	Ownership	HOLDER
E 0902303	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 0902330	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 0902331	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 0902351	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 5101901	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 5101907	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 5203650	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 5203665	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED
E 5203741	EXPLORATION LICENCE	LIVE	100%	DESERT METALS LIMITED