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Heritage Surveys and Assays

The Company would like to advise that two separate Heritage Surveys have been scheduled for next week with Native Title holders, Wajarri Yamatji. These surveys will cover the proposed aircore drilling over the newly identified Innouendy PGE anomalism as well as proposed aircore drilling over historical Nickel anomalism near Innouendy.

A second Survey will cover the proposed Belele drilling and the multiple targets at Dingo Pass / The Dome. Both surveys are expected to take two days and be completed by the end of next week. Drilling will commence at all sites as soon as possible after heritage clearance is received.

The Company would also like to advise that recently received assays from drilling at Irrida Hill confirmed that as foreshadowed there were no significant Ni-Cu-PGE intercepts.

For further information in relation to this announcement, please contact:

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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 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	• *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.*	• Diamond drill core samples were taken over selective intervals, typically 2.0m in length. The samples were half core, cut with a saw. • Reverse Circulation (RC) drilling samples were collected as 1m samples split from the rig cyclone using a cone splitter. These samples were then stored securely on site. Approximately 1kg of sample was also collected from each metre interval and composited into one sample for every 4m. The 4m composite samples were then sent for analysis. • Where a 4m composite sample returned anomalous assay values, the stored corresponding 1m samples were then sent for follow-up analysis. • Surface soil samples were collected by digging an approximately 30cm deep pit and then collecting roughly 700g of sample. • The sample material was sieved to minus 2mm in the field.
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).*	• IRRD002 Reverse circulation pre-collar to 101m. NQ diamond drilling (47.6mm) to end of hole at 261.3m • IRRD004 Reverse circulation pre-collar to 119m. NQ diamond drilling (47.6mm) to end of hole at 318.50m • IRRD005 Reverse circulation pre-collar to 101m. NQ diamond drilling (47.6mm) to end of hole at 262.45m • Drill collars are surveyed using hand-held GPS (+/- 2 metres horizontal accuracy). Oriented with compass and inclinometer. Holes surveyed with downhole gyroscope.
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.*	• Core recoveries are measured for every drill run • Appropriate measures are taken to maximise recovery and ensure representative nature of the samples. This includes diamond core being reconstructed for orientation, metre marking and reconciled against core block markers

Criteria	JORC Code explanation	Commentary
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes are logged in their entirety. Qualitative descriptions of minerology, mineralization, weathering, lithology, colour and other features are recorded and photographed for each sample.
Sub-sampling and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core* • *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.*	• Diamond core was cut in half with a saw and sampled nominally over 2m intervals, with some variation to ensure samples were ended at lithological contacts. • RC chips were sampled with a “spear” (PVC tube) from the 1m sample piles and composited to make roughly 4kg, 4m composite samples. Where the sample was wet, it was dried in the sun before composite samples were collected. • Duplicates, blanks and standards were submitted for analysis at a rate of approximately 1 per 20 samples, for quality assurance and control. • Drill sample sizes are considered appropriate for the style of mineralisation sought and the nature of the drilling program. • Soil samples were sieved in the field to minus 2mm, then dried and sieved in the lab to minus 80 mesh (-180 micron) (ALS Laboratories prep code PREP-41)
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.*	• Diamond drill core and RC samples underwent sample preparation and geochemical analysis by ALS Perth. Au-Pt-Pd was analysed by 30g fire assay fusion with an ICP-AES finish (ALS Method code PGM-ICP23). A 48-element suite was analysed by ICP-MS following a four-acid digest (ALS method code ME-MS61) • Certified analytical standards and blanks were inserted at intervals of approximately 1 every 20 samples (i.e.,5% of samples). All QAQC samples returned results within acceptable levels of accuracy • Soil samples were analysed for gold, platinum, palladium and a 50 element suite by 25g cyanide and aqua regia digestion with ICP-MS finish (ALS Method code: AuME-ST43™)

Verification of assaying	• *The verification of significant intersections by either independent or* • *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.*	• The Desert Metals Exploration Manager has personally inspected all core. • Significant assay results from RC chip 4m composite samples were verified by submitting the individual 1m samples for those intervals for further analysis. The same laboratory (ALS) and analytical methods were used for the 1m samples • Primary drill data was collected manually on paper and digitally using Excel software before being transferred to the master database in mining software package Micromine. • No adjustments were made to the assay data
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*	• Drill hole collar locations were recorded using handheld GPS. • Soil sample locations were recorded using handheld GPS.

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Expected accuracy is + or – 2 m for easting, northing and 10m for elevation coordinates. Downhole surveys using an Axis north-seeking gyro with readings at surface and then approximately every 3m downhole. • The grid system is MGA_GDA94 (zone 50), local easting and northing are in MGA. • Topographic surface uses handheld GPS elevation data, which is adequate at the current stage of the project
Data spacing and distribution	• *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.*	• Drilling to date has been on individual drill holes into a specific target. • Data spacing and distribution is not sufficient at this stage to allow the estimation of mineral resources. • RC precollar samples were composted to create 4m composite samples • Soil sample spacing is 500m x 500m for regional samples and 200m x 50m or 100m x 50m for infill sampling
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Insufficient information to determine at this time. • The orientation of drilling is broadly orthogonal to the modelled conductive plates.
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 • Soil samples were secured in cardboard boxes and then plastic bags 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 E9/2303, E52/3650 and E51/1907 • All tenements are in good standing with DMIRS. DM1 is unaware of any impediments for exploration on these licenses

Criteria	JORC Code explanation	Commentary
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-copper-sulphide 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 was conducted by Aurora Minerals Ltd and is described in the prospectus downloadable from the companys' website
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation anticipated to be related to mantle-derived intrusives intersected by trending linear structures.
Drill hole Information information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following* *for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level inmetres) 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.*	•

Drillhole	Easting	Northing	Azimuth	Dip	Depth
IRRDD002	456903	7141399	90	-70	261.30
IRRDD004	457099	7141249	90	-70	318.50
IRRDD005	457310	7141568	120	-60	262.45

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.*	• Anomalous Pd+PT (PGE) results were reported using a 40ppb (0.04g/t) PGE cutoff. • The longer interval of low grade results used only 4m composite sample data. The shorter higher grade reported intervals used only 1m sample assay data • The results reported as PGE, comprise the sum of the Pt and Pd values.
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole*	• No relationship between the drilling and target sulphide mineralisation has been determined to date. Any reported intervals are “down hole” lengths

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widths and intercept lengths	*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').*	
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.*	•
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 considered significant are reported.
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 known and relevant data has been reported
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.*	• A full review of the results to date willbe undertaken prior to any future programs being planned.