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START OF DRILLING CAMPAIGN Innouendy and Irrida

- **3,750m RC and diamond drilling program has commenced at the Innouendy and Irrida projects**
- **Drilling of 2 strong bedrock conductors in ultramafic intrusives at Innouendy**
- **Multiple strong conductors in ultramafic rocks at Irrida Hill identified from ground and airborne EM surveys are being tested.**



Desert Metals Limited (“Desert” or the “Company”) is pleased to announce that drill testing has begun on two of its wholly owned nickel sulphide projects at Innouendy and Irrida Hill. The program will consist of ~13 holes of RC and diamond drilling for ~3750m.

Both these prospects contain multiple conductors that lie within mafic and ultramafic intrusive bodies and are coincident with large oval shaped magnetic anomalies. These conductors represent excellent targets for potential nickel sulphide mineralisation. They are the initial projects which were detailed in the company's prospectus when listing last December.

Multiple Conductors at Irrida Hill – Drilling program commenced

- Multiple High-Conductance ground EM anomalies (Figure 1).
- Strong, discrete magnetic low at prominent structural intersection.
- Sub-cropping intrusion confirmed in field.

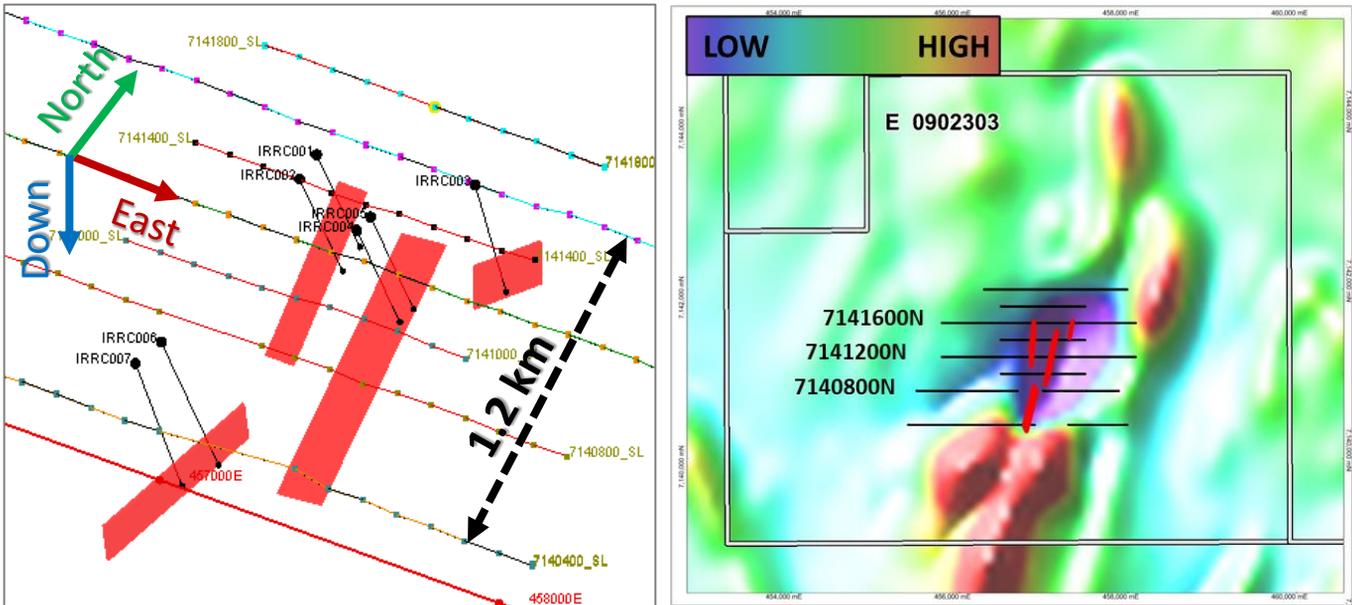


Figure 1: Magnetic image and modelled EM targets at Irrida Hill.

RIGHT: RTP Magnetic Image with EM survey lines and modelled plates [red]

LEFT: Oblique view [looking northwest] showing the modelled conductors and planned drill holes.

Multiple conductors at Innouendy – Drilling program commenced

- The Innouendy prospect contains several Class 1 (high amplitude, late time) conductors identified by airborne EM and confirmed by ground EM data (Figure 2).
- The conductors are in ultramafic intrusive rocks on the margin of the Yilgarn Craton.

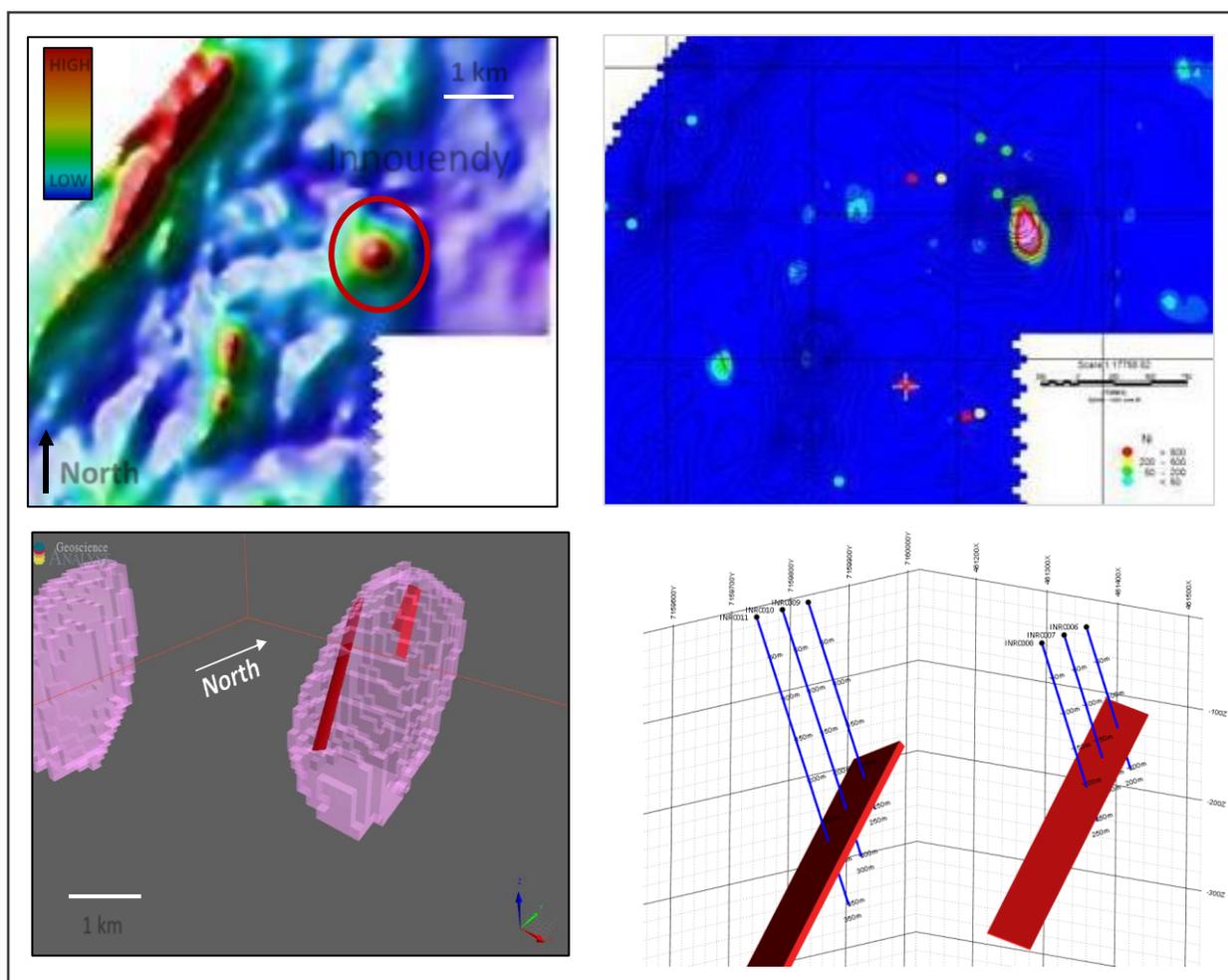


Figure 2: Magnetic and EM data at Innouendy.

Top LEFT: RTP Magnetic Image

Top RIGHT: Airborne EM Image

Bottom LEFT: Modelled conductors within UM intrusive [Pink surface: 3D magnetic model -interpreted extent of intrusion

Red plates: Modelled > 2000S conductors within the UM intrusive]

Bottom RIGHT: Indicative drill holes into modelled conductors.

For more information, please read the presentation on the Company's website.

Authorised by the Board of Desert Metals Limited.

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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 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. The information in this announcement was first released by the Company in its IPO prospectus dated 18 December 2020, and released on the ASX market announcements platform on 18 December 2020 (Prospectus). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.