Exploration Update - Dingo Pass

Key Highlights

- **Krakatoa Resources' new Tower REE discovery trends into Desert Metals tenure.**
- **Three diamond drill holes and one RC hole intersected sulphides testing four high conductance Down-Hole EM anomalies at Dingo Pass.**
- **Three conductors were explained by semi-massive and network textured sulphides in mafic intrusive rocks.**
- **At the modelled depth of the fourth conductor disseminated sulphides in a mafic intrusive were intercepted.**
- **Minor copper sulphide (chalcopyrite) was intercepted in all holes.**
- **Future work will test extensions to the Tower REE discovery. Ni-Cu-PGE follow up program awaits assays results**

Desert Metals has now completed an additional four diamond holes in its drilling program at Dingo Pass.

The four drill holes (DRC009, DRD004, DRD007, DRD008) were completed for a total of 373m of RC drilling and 175m of diamond drilling (Figure 1, Table 1). Holes DRC009, DRD004 and DRD007 all intersected semi-massive and/or networked sulphides coincident with the targeted modelled conductor (Figure 2). The sulphides were predominantly pyrrhotite with minor chalcopyrite and pyrite hosted in medium to coarse grained amphibolite, inferred to be a metamorphosed mafic intrusive. The sulphide zones have been sampled and the Company awaits the results of assays.

Hole DRD008 did not appear to intersect sufficiently interconnected sulphide to explain the targeted conductor, however it did intersect a coarse-grained gabbro intrusive with disseminated pyrrhotite, pyrite and minor chalcopyrite. This unit is a promising potential host for nickel massive sulphides and occurred at the depth of the modelled conductor. This conductor may be tested further with additional drilling, subject to receiving the assays for multi-element geochemistry and further down-hole EM geophysics. The presence of sulphide mineralisation including chalcopyrite within mafic intrusive rock does provide encouragement for the Company to prioritise and test the remaining dozen or so highly conductive bodies within the Dingo Pass license (Figure 2).

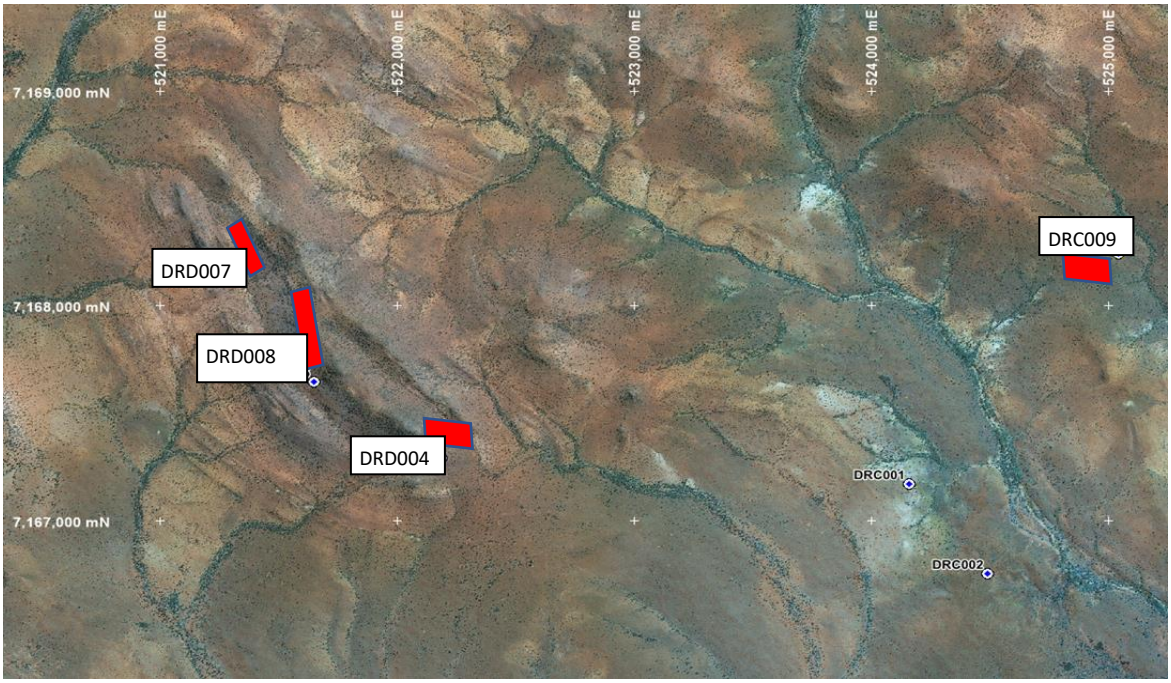

Figure 1: Dingo Pass Drill Hole Location Plan. Red squares - location of the tested conductors modelled from DHEM

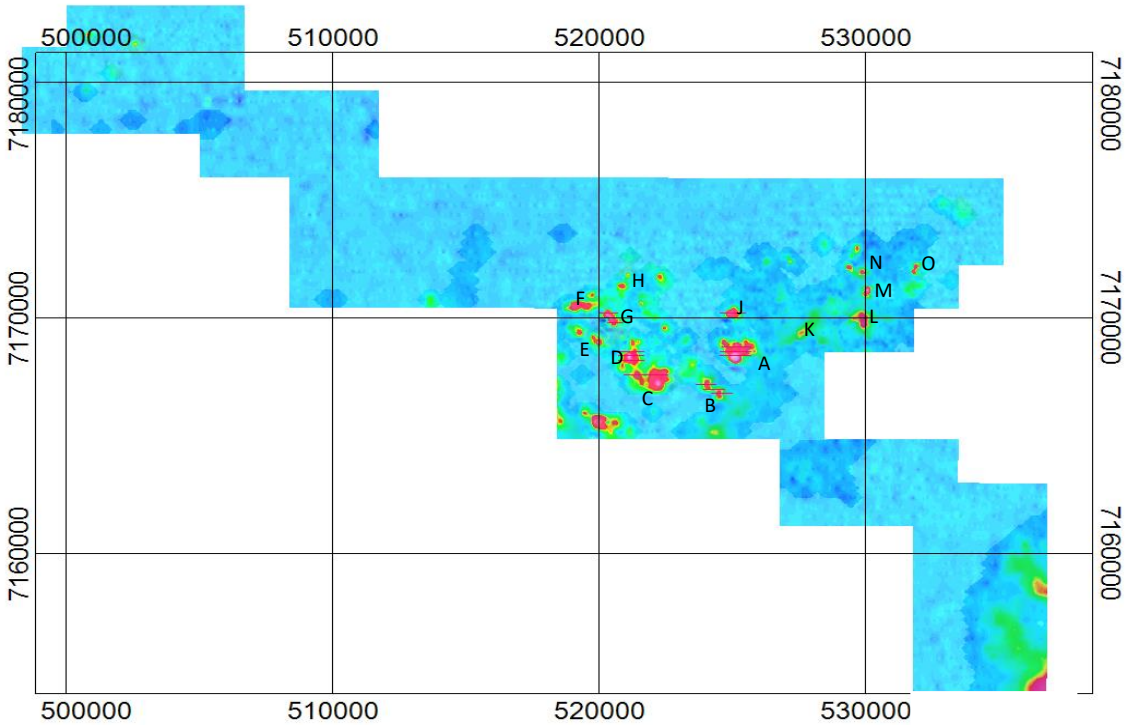

Figure 2 Conductors at Dingo Pass. A-D tested – sulphides within mafic intrusives. Conductors E-O untested. Background image -calculated Tau time constant from airborne electromagnetics.

Table 1. Dingo Drill Collars

Hole ID	East	North	Rl	Azimuth	Dip	Depth	Prospect
DRD004	522183	7167289	481	360	-55	279.1	Dome South
DRD007	521309	7168166	469	090	-62	250.65	Dome North
DRD008	521542	7167772	490	075	-65	351.9	Dome Central
DRC009	525039	7168238	455	350	-60	128	Komatiite

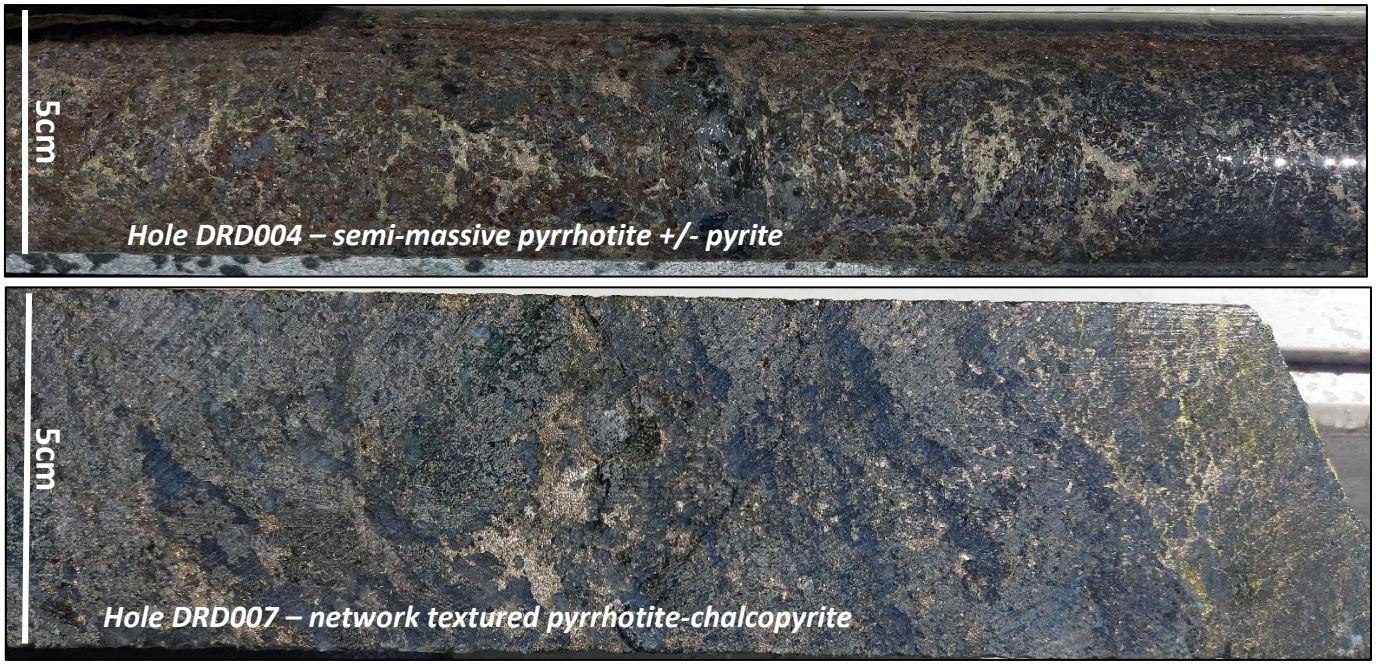

Figure 3. Examples of sulphides intersected at Dingo Pass Prospect

Rare Earth Elements at Dingo Pass

Krakatoa Resources recently announced an expansion of their Tower clay hosted REE discovery immediately adjacent to Desert Metals' Dingo Pass license (ASX:KTA release 2 November 2022). This discovery is approximately 65km to the east of Desert Metals' recently discovered REE Innouendy Project (ASX:DM1 2 November 2022). From an analysis of Krakatoa's results and applying Desert Metals' inhouse Rare Earth Element targeting index to geophysical and remote sensing data on the Dingo Pass license, there appears a strong possibility a large part of this new discovery may lie on Desert Metals' license. The Company will be following this up with an extensive aircore drilling program and watches with interest Krakatoa's results as they advance towards declaring a resource on the Tower discovery. (ASX: KTA 2 November 2022)

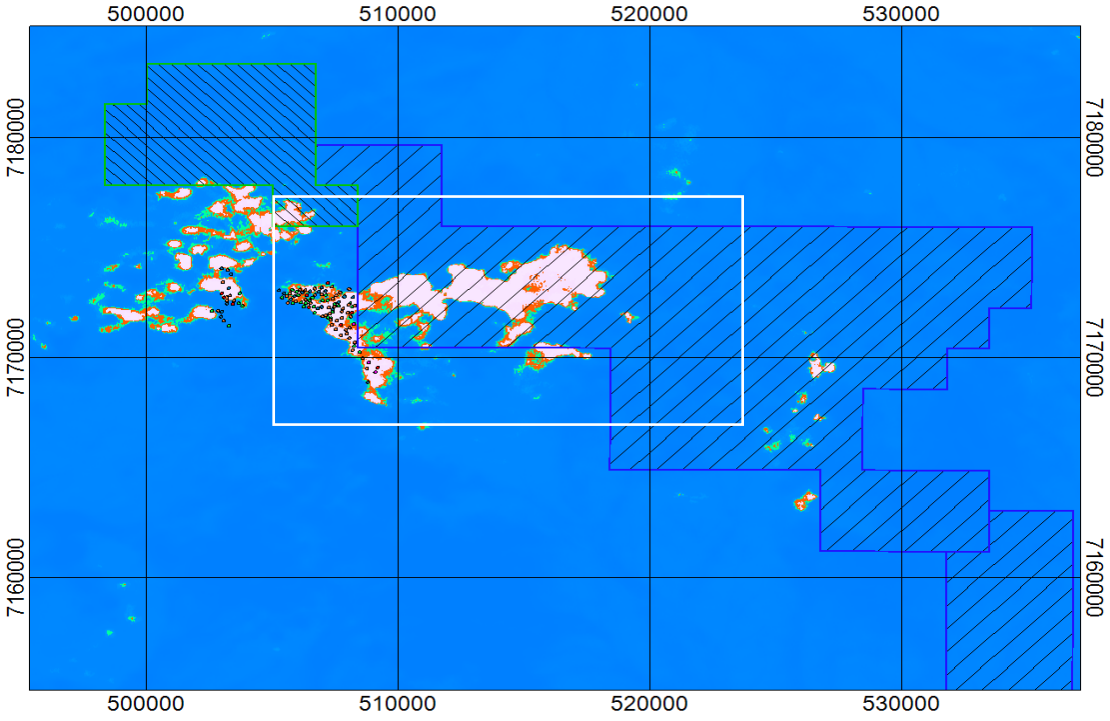

Figure 4a) Desert Metals Dingo Pass License hashed. Krakatoas recent drill collars on their Tower REE discovery to the west of Dingo Pass. Background image Desert Metals inhouse REE targeting index derived from remote sensed data and airborne geophysics.

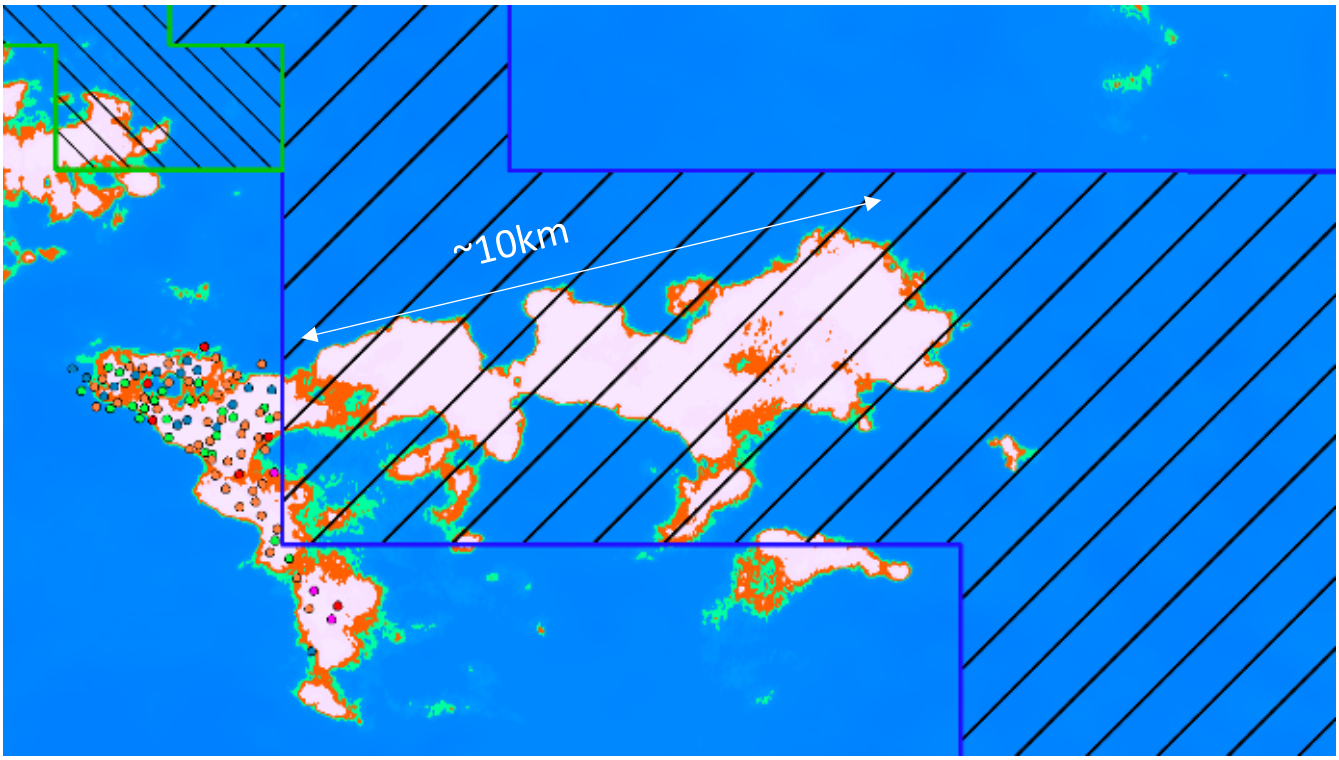

Figure 4b) Zoom in to the white box of a). Krakatoa Drill collars coloured by Total downhole REE intersection. Blue-Green colours lower REE values. Red-Pink colours higher values. Background image Desert Metals inhouse REE targeting index derived from remote sensed data and airborne geophysics.

Authorised by the Board of Desert Metals Limited.

Rob Stuart — Managing Director

Tony Worth — 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 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 (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.* • *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 (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.*	• 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. Where sampling was deemed necessary, approximately 0.5kg of sample was collected from each metre interval and composited into one sample for every 4m. The 4m composite samples were then sent for analysis. • Diamond drilling core washed and presented in NQ core trays and measured against core blocks by geologist on site.
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.).*	• DRC009 - Reverse circulation to end of hole • DRD004, DRD007-DRD008 - Reverse circulation precollar followed by NQ diamond drilling to EOH.

Criteria	JORC Code explanation	Commentary
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. • No relationship between recovery and grade has been observed. • Core recoveries are measured for every drill run • Appropriate measures are taken to maximise recovery and ensurerepresentative nature of the samples. This includes diamond core being reconstructed for orientation, metre marking and reconciled against core block markers.
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 mineralogy, mineralisation, weathering, lithology, colour and other features are recorded. A sample of every metre is permanently retained in chip trays/ core 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* • *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.*	• 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. • Core has been in half and sampled over intervals of 2 metres or less. • 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.

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.* • *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.* • *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.*	• Samples are to be submitted for sample preparation and geochemical analysis by ALS Perth. • Standards and blanks were submitted in the sample stream at a rate of approximately 1 per 30 samples. The laboratory conducted its own checks which were also monitored. • In the field spot checks were completed on selected samples using a handheld XRF unit. These results are not considered reliable without calibration using chemical analysis. They were used as a guide to the relative presence or absence of certain elements, including REEs, to help guide the drill program. • The sample sizes are considered to be appropriate to correctly represent the explored for mineralisation style.
Verification of 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 verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The Desert Metals Exploration Manager has personally inspected all core. • 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. • No assay data is reported
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control*	• Drill hole collar locations were surveyed using handheld GPS. • Expected accuracy for collar surveys is ± 3 m. • Down-hole surveys were taken by north-seeking gyro with readings at the surface and then approximately every 30 m downhole. • 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.

Criteria	JORC Code explanation	Commentary
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 to allow the estimation of mineral resources. • RC 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.* • *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. • 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.* • *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 E52/3665 • 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. • 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. • Image in Figure 4 taken from data within ASX release: KTA 2 November 2022
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. • 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:*
	  ○ *easting and northing of the drill hole collars*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole*
	  ○ *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 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.* • *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.* • *The assumption used for any reporting of metal equivalent values should be clearly stated.*	• No assays being reported
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 angle is known, its nature should be reported.*	• The relationship between drill hole orientations and mineralisation is unknown at this stage.
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').*	The relationship between drill hole orientations and mineralisation is unknown at this stage.
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.*	• No discovery being reported

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. Background image in Figure 4 calculated from open file geophysical and remote sensing data.
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.*	• A full review of the results to date will be undertaken prior to any future programs being executed.