



DESERT MINES AND METALS LIMITED

ABN 56 123 102 974

ASX RELEASE

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Large Diversified Exploration Portfolio In Western Australia

Substantial Shareholder
Aurora Minerals Limited
43%

Website

www.desertminesandmetals.com

ASX Code
DSN

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EXPLORATION UPDATE CAMEL HILLS JV PROJECT

Desert Mines and Metals Limited (**ASX:DSN**) advises that the reverse circulation (“RC”) drilling program announced on 18 March 2013 testing several targets at its Camel Hills Joint Venture Project in the southern Gascoyne Province of central Western Australia has been successfully completed. The RC program consisted of 12 holes for 1,189m testing two targets:

Main Grid

- Gold-in-soil anomaly over 2.3km strike
- Eleven RC holes for 955m
- Eight holes with narrow widths of +100ppb Au in wide zones of above-background gold
- Best intercept 2m at 0.37g/t Au from 80m in hole 6
- Interpretation continues

Innouendy

- Strong ground EM conductor
- One hole to 234m into target
- Magnetite-quartzite units with several percent sulphide (pyrite, pyrrhotite, minor chalcopyrite) from 148m to 160m
- No significant assays

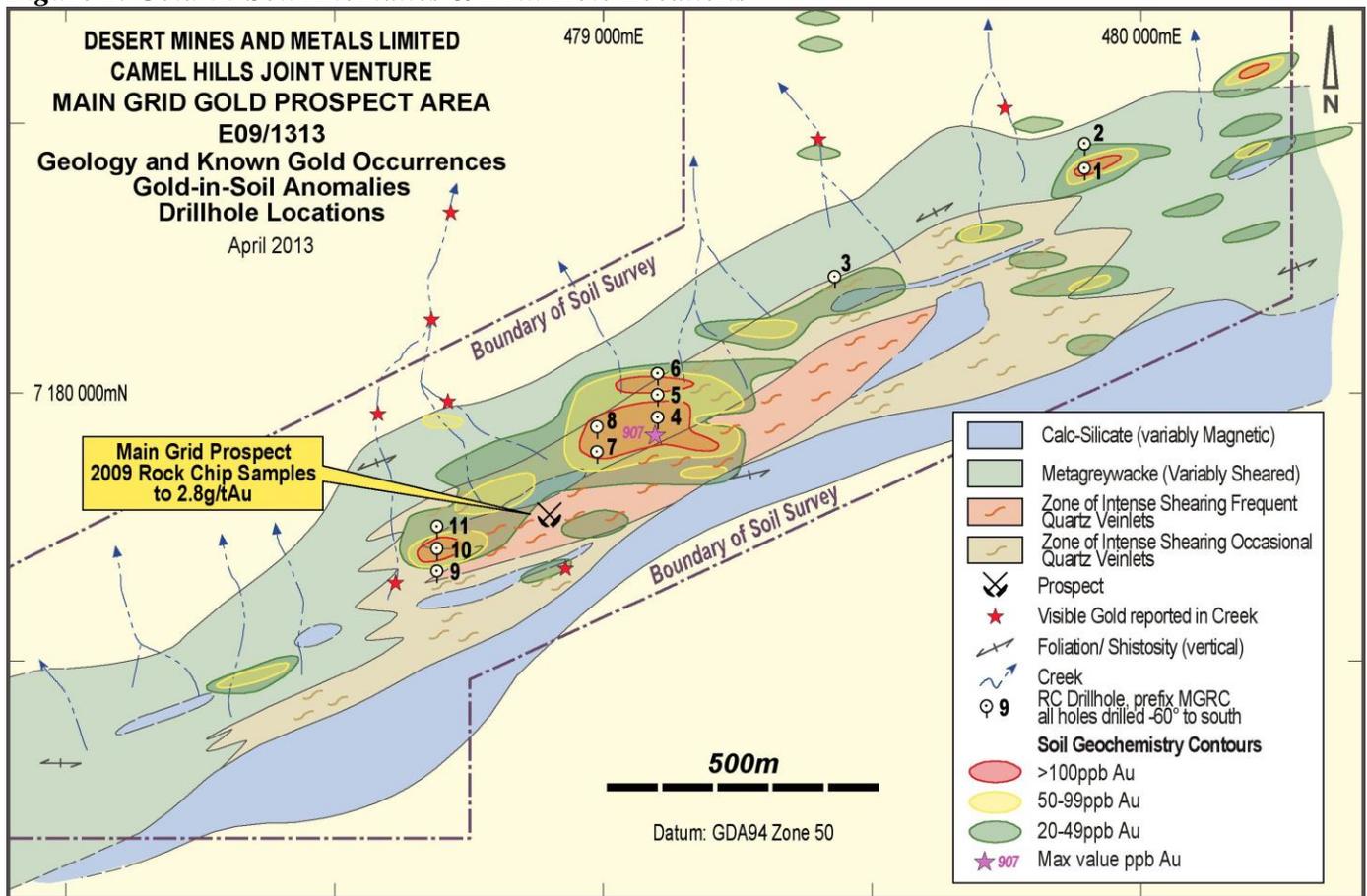
Camel Hills

(DSN 51% and Manager, Aurora Minerals Limited 49%)

At the **Main Grid gold prospect**, Desert’s exploration target is gold mineralisation in a wider “corridor” of low grade within which are narrower, discrete, high-grade and structurally controlled shoots occasionally producing high gold assays in rock chip samples.

Previous surface exploration included soil sampling which defined a gold-in-soil anomaly extending 2.4km along strike by 200m wide at the +20ppb Au level, within which is a coherent 600m long by 100m +50ppb anomaly with a maximum value of 907ppb Au (Figure 1). Rock-chip sampling from a zone of intense shearing with frequent quartz veinlets produced assays up to 2.8g/t Au.

Figure 1: Gold-in-Soil Anomalies & Drill Hole Locations



First phase RC drilling to test this soil anomaly and shear zone was conducted with the successful completion of 11 holes for 955m on five sections over a 1.4km strike (Table 1). Preliminary drill results indicate wide zones of above-background gold were intercepted in holes 1, and 3 through 8, with a maximum intercept of 74m in MGRC8 (8-82m averaging 54ppb Au). Within these are narrow intervals of +100ppb Au (0.1g/t) with best result of 2m at 0.37g/t from 80m in hole MGRC6 (Table 2).

This gold zone lies immediately north of the main mapped zone of intense shearing and quartz veinlets, and is mostly covered by colluvium and scree from the hills to the south. Further interpretation of these results continues.

The cost of this program was co-funded with the supported of the State Government pursuant to its Exploration Incentive Scheme's Co-funded Exploration Drilling Program.

At **Innouendy** the Joint Venture partners are targeting massive nickel-copper sulphide deposits in discrete mafic to ultramafic intrusive bodies in the high-grade gneissic terrane of the northwestern Yilgarn Craton, central Western Australia. The first diamond core drill hole into the Innouendy Prospect was successfully completed in late 2012 to a down-hole depth of 276m. A subsequent down-hole EM survey yielded a strong "off-hole" conductor to the North.

The hole was targeting possible sulphide mineralisation associated with an interpreted ultramafic intrusive with supporting data including;

- Strong electromagnetic conductors ("EM")
- Favourable magnetic features
- Nickel/Chrome soil anomaly
- Favourable lithology & structural setting

A further ground based EM survey was recently completed in order to better resolve the up-dip extension of this strong anomaly. The ground based EM survey confirmed the existence of the strong conductor however its location is displaced approximately 50m to the Northwest of the panel modelled from the down-hole EM.

Reverse circulation hole INC005 was drilled to test the EM target(s) and was successful in reaching the targeted depth (234m). The hole encountered a few metres of magnetite gravels from surface, 50m of weathered, variably silicified granitic gneisses, and then fresh hard rock comprising gneisses to about 85m then dominated by variably magnetitic and garnetiferous amphibolite to the bottom of the hole. There was trace sulphide around 86-90m depth, low levels of sulphide from 120-137m and a more significant zone around 148-160m with sulphides up to several percent over 1m intervals. Thereafter low levels of sulphide were scattered throughout. Slight copper anomalism was noted in sulphide zones, in particular the interval from 148m-152m (4m at 400ppm Cu).

Drilling Details

This RC drilling program consisted of 12 holes totalling 1,189m drilled. Each metre was sampled and riffle split into bulk and assay fractions at the rig. The assay fractions were spear sampled into two-metre composites and sent to a commercial laboratory in Perth for gold and base metal analyses. The bulk fractions remain at the drill site for further work as warranted.

Drill-hole collar locations (Table 1) and significant gold intercepts (Table 2) are listed below.

Table 1

DRILLING DETAILS						
PROSPECT	HOLE	DEPTH	Collar_East	Collar_North	Azm	Dip
Innouendy	INRC005	234	461445	71599000	323	65
Main Grid	MGRC001	65	479901	7180427	180	60
Main Grid	MGRC002	95	479900	7180465	180	60
Main Grid	MGRC003	86	479416	7180220	180	60
Main Grid	MGRC004	80	479102	7179968	180	60
Main Grid	MGRC005	94	479100	7180007	180	60
Main Grid	MGRC006	100	479099	7180042	180	60
Main Grid	MGRC007	80	479000	7179898	180	60
Main Grid	MGRC008	100	479001	7179939	180	60
Main Grid	MGRC009	80	478697	7179674	180	60
Main Grid	MGRC010	85	478698	7179715	180	60
Main Grid	MGRC011	90	478701	7179757	180	60

Datum used GDA94 zone 50

Table 2

DRILL INTERCEPTS OVER 0.1g/t GOLD				
HOLE	FROM	TO	INTERCEPT	g/t GOLD
MGRC1	54	56	2	0.12
MGRC3	54	58	4	0.19
MGRC4	58	60	2	0.12
MGRC5	42	44	2	0.28
MGRC6	80	86	6	0.22
(including)	80	82	2	0.37
MGRC7	24	26	2	0.12
MGRC8	8	14	6	0.14
MGRC8	20	22	2	0.2
MGRC8	46	48	2	0.15
MGRC8	80	82	2	0.26
MGRC11	44	48	4	0.21
MGRC11	84	86	2	0.12
All intercepts in metres drilled All samples collected as 2-metre composites 100ppb Gold = 0.1g/t Gold				

BACKGROUND ON THE CAMEL HILLS JOINT VENTURE

In late 2012, Desert completed the necessary expenditure to earn a 51% participating interest in the Camel Hills Joint Venture Project (CHJVP) from Aurora Minerals Limited. As a result of completing this milestone its expenditure obligations have effectively been reduced from prior years as moving forward it is responsible for 51% of the expenditure commitments on the CHJVP. The tenement package currently exceeds some 1,700km² deemed by the company's geologists as being prospective for gold, copper, nickel and iron ore.

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The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining. Executive Director of Desert Mines and Metals Limited, Robert Taylor is employed through his consulting company Able Kids Pty Ltd.

Robert Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robert Taylor consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The Company's website (www.desertminesandmetals.com.au) is recommended reading for interested market watchers, brokers and investors. The website contains information on the Company's projects, project maps, a list of the Company's announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys), the legislative environments under which the Company operates, Corporate Governance, a section on risks, many of which are common to exploration companies, and other useful information. A list of the Company's announcements is also obtainable from the Australian Securities Exchange.