



## DESERT MINES AND METALS LIMITED

ABN 56 123 102 974

# ASX RELEASE

**3 June 2013**

**Molybdenum and Tungsten  
Exploration – South Korea  
Diversified Minerals Exploration  
– Western Australia**

<b>Substantial Shareholders</b>	
<b>Aurora Minerals Limited</b>	<b>37%</b>
<b>Indo Gold Limited</b>	<b>9%</b>
<b>Goodfellow</b>	<b>8%</b>

**Shares on Issue: 160M**

[www.desertminesandmetals.com](http://www.desertminesandmetals.com)

**ASX Code DSN**

**For further information on this  
release and the Company please  
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Executive Director  
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## ACQUISITION OF KOREAN RESOURCES LIMITED – APPOINTMENT OF MANAGING DIRECTOR

The Directors of Desert Mines and Metals Limited (“**Desert**” or the “**Company**”) are pleased to advise that the consideration shares for acquisition of 100% of the issued capital of Korean Resources Limited (“**KRL**”) have been allotted on 31 May 2013. KRL through its wholly owned subsidiary Suyeon Mining Company Limited has contractual rights to acquire the Daehwa molybdenum tungsten exploration project in South Korea.

The share issue comprises 20,700,000 ordinary fully paid Desert shares comprising ~14.9% of the issued capital.

Desert is also pleased to announce the appointment of Mr Chris Rashleigh as managing director of the Company effective from 31 May 2013.

Chris is a mining engineer and has 40 years experience in the resources industry, both in Australia and internationally. He is a director of KRL and has been instrumental in establishing KRL’s corporate and exploration activities in South Korea.

Dr Robert Taylor has retired from the Desert board effective 31 May 2013.

Pursuant to ASX Listing Rule 3.16 Desert provides the material terms of Mr Rashleigh's Consultancy Agreement as follows:

- Base Remuneration \$120,000 per year
- Subject to shareholder approval, a total of 5,000,000 Consultant Options to be issued on the following material terms and conditions:

**(a) Issue price**

Each Consultant Option is issued for nil consideration.

**(b) Exercise price**

Each Consultant Option shall entitle the optionholder to acquire one fully paid ordinary share in the capital of the Company upon exercise and payment of an exercise price being 150% of the volume weighted average price of the shares for the five trading days prior to the date of issue ("5 day VWAP") for the first 2,500,000 Options ("First Tranche") and 200% of the 5 day VWAP for the remaining 2,500,000 Options ("Second Tranche").

**(c) Expiry date**

Consultant Options will expire on the Expiry Date for that class of Options. The Expiry Date is 24 months after the date of issue, for the First Tranche of Options, and 36 months after the date of issue for the Second Tranche of Options, unless expiry occurs earlier because of termination of the Consultancy Agreement with the Company.

**(d) Cessation of engagement of the Consultant or death of the optionholder.**

- (i) In the event of the death of Mr Rashleigh then all of the Options shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the holder or a deceased optionholder's legal personal representative.
- (ii) In the event that Chris Rashleigh Mining or Mr Rashleigh ceases to provide services to the Company or any of its subsidiaries as a consultant, then from the date of such cessation of services one half of the Options which can be validly be exercised at such date shall remain in full force and effect for the full term up until the Expiry Date and the other half of the Options may only be exercised by the optionholder within 3 months of the effective date on which Chris Rashleigh Mining or Mr Rashleigh ceases to provide services to the Company, and immediately following that 3 months shall forthwith lapse and have no further effect unless otherwise determined by the board of directors of the Company.
- (iii) In the event that Chris Rashleigh Mining's or Mr Rashleigh's services as a consultant to the Company or any of its subsidiaries are terminated by the Company following the takeover of the Company or following a Change in Control, all the Options shall remain in full force and effect for the full term up until the Expiry Date.

- The Consultancy Agreement may be terminated by Desert by providing 4 months written notice and by Mr Rashleigh by providing 2 months notice.
- Mr Rashleigh's services will be provided via consulting company Chris Rashleigh Mining Pty Ltd of which Mr Rashleigh is a director.

The Consultancy Agreement contains other terms and conditions standard for an agreement of this nature.

Martin Pyle  
Executive Director  
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