



DESERT MINES AND METALS LIMITED

ABN 56 123 102 974

ASX RELEASE

18 March 2013

Large Diversified Exploration Portfolio In Western Australia

Substantial Shareholder
Aurora Minerals Limited
43%

Website

www.desertminesandmetals.com

ASX Code
DSN

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GOLD, NICKEL/BASE METALS DRILLING TO COMMENCE AT CAMEL HILLS JOINT VENTURE PROJECT

Desert Mines and Metals Limited (**ASX:DSN**) is pleased to announce a reverse circulation (“RC”) drilling program is scheduled to commence in late March testing several targets at its Camel Hills Joint Venture Project in the southern Gascoyne Province of central Western Australia.

The RC program of approximately 2,000m will test:

Camel Hills Joint Venture (DSN 51%)

- Innouendy nickel/copper prospect – strong “off-hole” conductor identified in previous drilling program
- Main Grid - extensive gold-in-soil anomaly

The Main Grid program is supported by a State Government grant pursuant to its Exploration Incentive Scheme’s Co-funded Exploration Drilling Program.

Subject to weather and drilling conditions the program is expected to commence in late March and take several weeks to complete.

Camel Hills

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

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 has yielded a strong “off-hole” conductor.

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.

Fortunately both positions can be tested from the same drill collar positions and several holes are planned.

At the **Main Grid gold prospect**, mapping, rock chip and soil sampling by Desert indicates that the gold mineralisation tends to occur in a wider “corridor” of low grade, <1g/t, within which are narrower, discrete, high-grade and structurally controlled shoots occasional containing high gold assays in rock chip samples.

An application for drill funding support from the State Government has been successful and a grant pursuant to its Exploration Incentive Scheme’s Co-funded Exploration Drilling Program has been awarded, which is expected to contribute up to \$100,000 towards the direct drilling costs.

BACKGROUND ON THE CAMEL HILLS JOINT VENTURE

Desert has a recently 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.