ASX ANNOUNCEMENT
**23 OCT 2023**

# NICKEL EXPLORATION UPDATE

## HIGHLIGHTS

- **Reverse Circulation (RC) drill program designed to test interpreted fertile basal contact at nickel prospects D3 and D5 at Widgiemooltha Project[1]**
- **Thick, uninterrupted ultramafic unit indicative of a channel unit confirmed at D5 nickel prospect; important context for Kambalda ore deposit model**
- **Advanced preparations for phase 2 at Lake Percy with drilling anticipated to commence before end of the year**

Dynamic Metals Limited (**ASX: DYM**) ("**Dynamic**" or "the Company") is pleased to announce the latest nickel exploration progress at the Widgiemooltha and Lake Percy Projects in the Goldfields Region of Western Australia.

The Company completed nine RC drillholes at the D3 and D5 prospects at the Widgiemooltha Project in the first quarter, with the targets based on the Kambalda komatiite nickel sulphide ore deposit model (Figure 1).

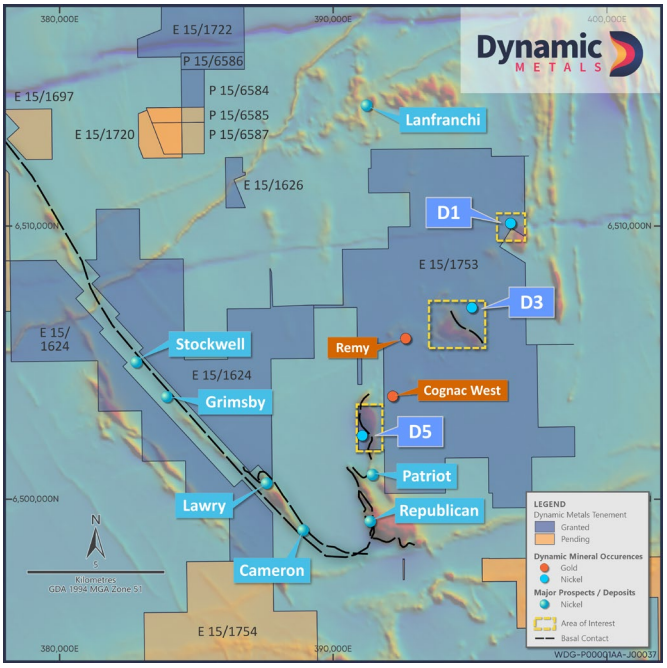


*Figure 1. Plan view of part of Dynamic's Widgiemooltha Project, with priority drill targets D3 and D5 against magnetics and known regional nickel deposits*


**Dynamic Metals Limited**
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Shares on Issue: 48,985,001 | Cash: $4.4M
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The programs were planned to test the potential for fresh rock nickel sulphide mineralisation associated with the 'basal contact' at the two prospects. In the context of exploring for Kambalda komatiite type massive sulphide nickel deposits, the basal contact position is a key vectoring tool and is best described as the location where the komatiite stratigraphy is in contact with the underlying basalt.

The Company interpreted the position of the basal contact at D3 and D5 by integrating field observations, aeromagnetic interpretation and surface geochemistry.

## D5 Nickel Prospect

The D5 prospect presents as an exciting drill target with historic drilling establishing the potential for nickel mineralisation, with 20m @ 0.54% Ni returned in RD122[2]. More recently, drilling by Mincor Resources (now Wyloo Metals) along strike to the south at the Patriot Prospect confirmed the fertility of the ultramafic with 2m @ 0.67% from 107m (MRC750), 13m @ 0.64% from 19m and 16m @ 0.4% from 49m (MRC749)[3]. Importantly, the magnetic signature at Dynamic's D5 prospect is much stronger than at Patriot.

Dynamic drilled six angled RC holes oriented to the west on five sections to test 1.3km strike of the interpreted basal contact, which was confirmed in the two northern most sections in WDR011 and WDR012 (Figure 2).

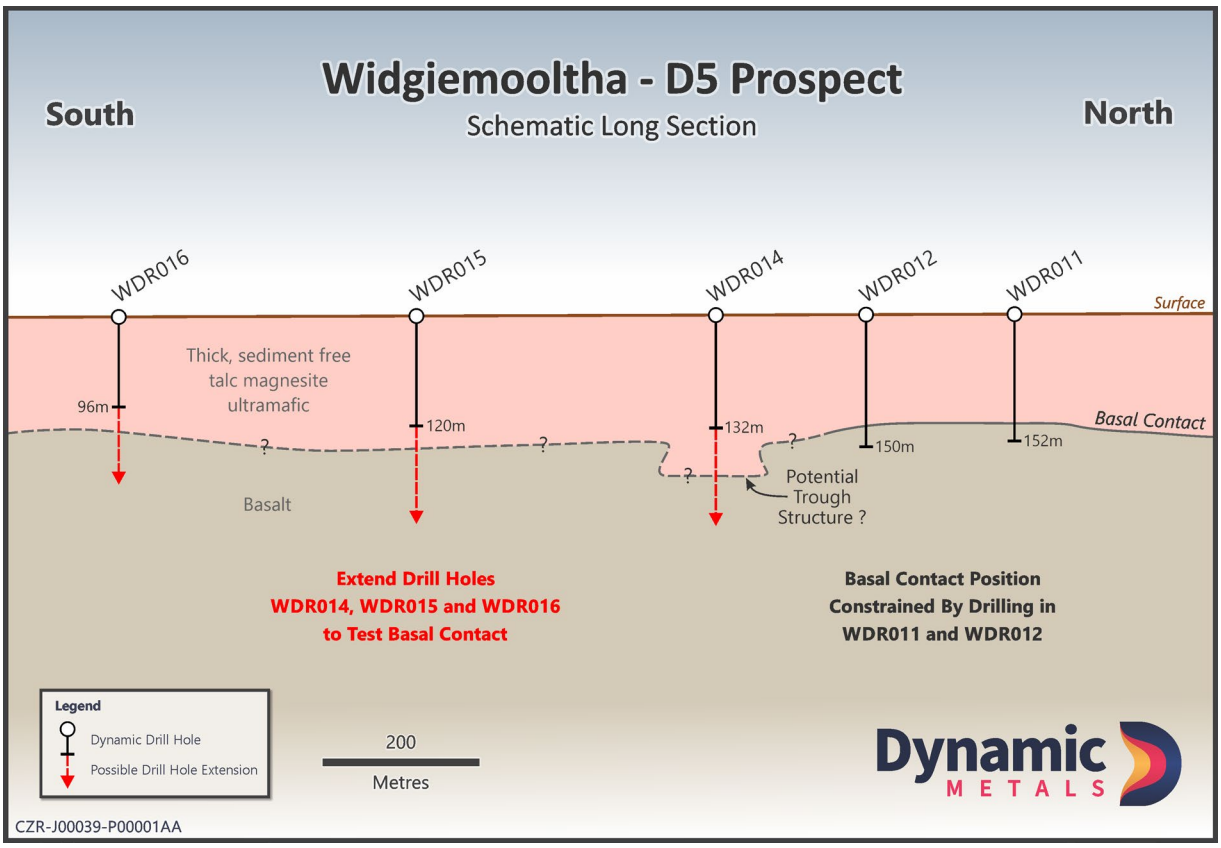


*Figure 2. Schematic long section of D5 RC drilling. Red indicates proposed extensions to current drilling. The potential trough structure shown is the typical scale (~150m) of target that hosts nickel mineralisation in the Kambalda-style nickel ore deposit model*

In both WDR011 and WDR012 the contact is observed to lack interflow sediments and is overlain by a thick (estimate ~40m), interflow sediment-free ultramafic unit. The absence of interflow sediments (confirmed geologically and geochemically) at the basal contact is important, as it is indicative of a channel environment which is a critical component in localising nickel mineralisation in the well-established Kambalda komatiite nickel sulphide ore deposit model.

Drilling conducted to date has been on sections between 200m and 400m apart and is considered broadly spaced given the typical size of potential trough structures (~150m wide) that host nickel sulphide mineralisation (drawn in for scale in Figure 2).

The geological and geochemical information acquired from the drilling program has been used to update the geological model at D5 and inform the next phase of drilling. As the drill holes to the south did not intersect the basal contact, extending these drill holes is a priority for the Phase 2 drilling program to further constrain the basal contact and understand its properties. The Company believes that employing this phased approach allows it to efficiently and iteratively test this highly prospective nickel sulphide prospect.

### D3 Nickel Prospect

The D3 prospect is located in the middle of Exploration License 15/1753 where the Company planned to drill six holes on three sections to test 400m of interpreted basal contact at depths up to 150m.

Three holes were drilled for 354m but observed geology did not correspond with Dynamic's geological interpretations. The geological units intersected in the first three holes were dominated by volcaniclastics, and, with no basal contact intercepted, the remaining three holes were abandoned. Results from the drilling indicate that thrust faulting has not preserved the basal contact in the target area.

No further drilling is planned at D3 at this time.

### Next Steps

The Company is in the advanced stages of planning a phase 2 RC drill campaign at the Lake Percy Project to follow up the successful maiden drill campaign earlier this year[4]. Details about the phase 2 program will be provided prior to commencement of drilling in November 2023.

*Released with the authority of Dynamic Metals' Board of Directors.*

For further information on the Company and our projects, please visit: **www.dynamicmetals.com.au**

## CONTACT

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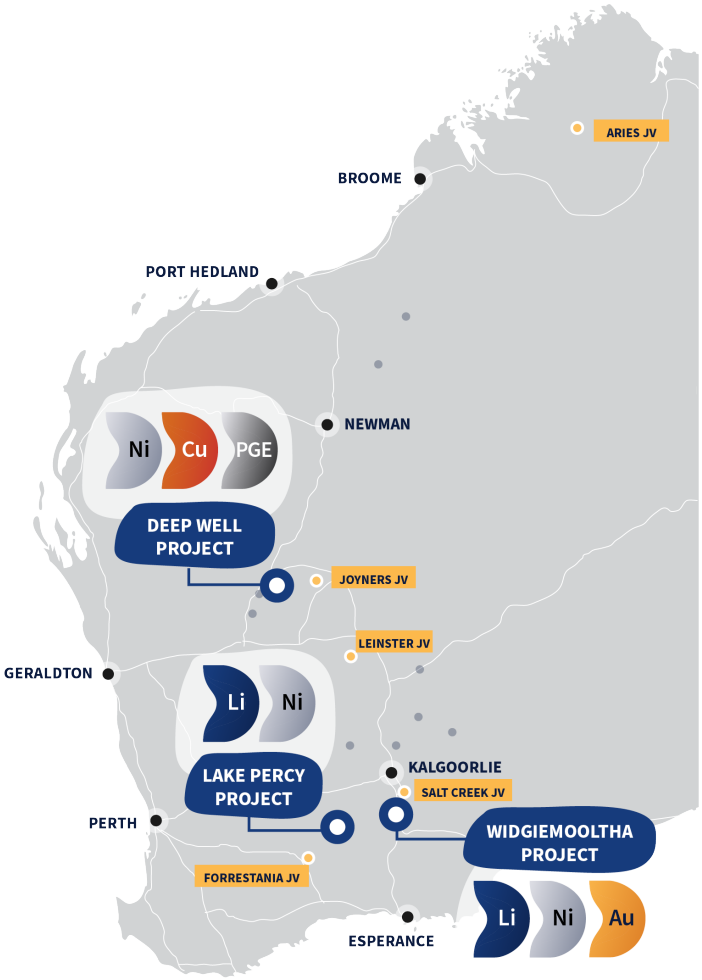
## ABOUT DYNAMIC METALS

**Dynamic Metals (ASX: DYM)** is a dedicated exploration company focused on advancing a highly prospective portfolio of future facing critical minerals projects in Australia. The Company completed a successful IPO in January 2023 raising $7 million to fully fund an aggressive exploration program across the portfolio.

Dynamic's flagship project, Widgiemooltha, covers an extensive area of c.880km$^2$ extending between Norseman and Kambalda. The region is well known for its numerous nickel and gold mines, but more recently has emerged in significance for its lithium mineralisation and prospectivity.




## DYNAMIC METALS CAPITAL STRUCTURE

**Share Price:** $0.17/share

**Cash 30 Jun 2023**: $4.41M

**Shares on Issue:** 49M

**Market Cap**: $8.3M

Portfolio of future-facing critical minerals projects in Australia

Exposure to global decarbonisation and battery metals thematic

Substantial exploration targets generated across Li, Ni, Cu, PGE and Au

Team has extensive experience and successful track record

On-ground activities complete and drilling commenced

Attractive valuation and leverage to exploration success

Li Ni Cu PGE Au

## REFERENCES

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following releases lodged with ASX and referred to in this announcement:


1. Dynamic Metals ASX Announcement 07/08/2023: "Priority nickel target drilling to commence at Widgiemooltha"
2. Dynamic Metals ASX Disclosure 12/01/2023: "Prospectus"
3. Mincor Resources ASX Announcement 26/07/2021: "Quarterly Activities Report"
4. Dynamic Metals ASX Announcement 29/08/2023: "PGE assays support strong nickel results at Lake Percy"


## COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mrs Karen Wellman. Mrs Wellman is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mrs Wellman has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activity being undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Mrs Wellman consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## FORWARD LOOKING STATEMENT

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Dynamic Metals Limited's (Dynamic's) current expectations, estimates and projections about the industry in which Dynamic operates, and beliefs and assumptions regarding Dynamic's future performance. When used in this document, the words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Dynamic believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Dynamic and no assurance can be given that actual results will be consistent with these forward-looking statements.

# 1 ANNEXURE A

Drilling Table and Significant Intersections – D3 and D5 nickel prospects

| Prospect | Hole ID | Collar Coordinates (MGA) | | | EOH Depth | Dip | Azi | From | To | Interval | Ni (%) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Northing | Easting | RL | | | | | | | | |
| D3 | WDR008 | 6506709 | 394967 | 357 | 96 | -60 | 090 | NSR | | | | |
| D3 | WDR009 | 6506704 | 394914 | 357 | 126 | -60 | 090 | NSR | | | | |
| D3 | WDR010 | 6506700 | 394856 | 356 | 132 | -60 | 090 | 24 | 36 | 12 | 0.39 | |
| D5 | WDR011 | 6503197 | 390995 | 330 | 150 | -60 | 275 | NSR | | | | Fertile magma pulse interpreted near surface based on MgO%. Basal contact intercepted |
| D5 | WDR012 | 6502999 | 391001 | 337 | 150 | -60 | 275 | NSR | | | | Fertile magma pulse interpreted near surface based on MgO%. Basal contact intercepted |
| D5 | WDR013 | 6502790 | 390998 | 343 | 90 | -60 | 275 | NSR | | | | |
| D5 | WDR014 | 6502792 | 391025 | 345 | 132 | -60 | 275 | NSR | | | | |
| D5 | WDR015 | 6502397 | 391260 | 336 | 120 | -60 | 275 | NSR | | | | Fertile magma pulse interpreted near surface based on MgO% |
| D5 | WDR016 | 6501992 | 391275 | 323 | 96 | -60 | 275 | NSR | | | | |

Note: Significant intersections are defined by minimum 2m downhole length greater than 0.35% Ni

NSR means “No significant result” that means the assays did not meet the criteria above.

# 2 ANNEXURE B

**JORC Code 2012 Edition – Table 1**
**Section 1 Sampling Techniques and Data**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling Techniques*** | • *Nature and quality of sampling (eg 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.* | • RC drilling was used to collect samples at 1m intervals.<br>• Approximately 2-4kg was collected from each interval in a calico bag using a rig mounted rotary splitter<br>• Calico bag samples from each meter were made up into 3m composite samples using a riffle splitter and were placed into individually labelled, consecutively numbered sample bags.<br>• The RC samples obtained are considered representative of the material drilled. |
| ***Drilling Techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).* | • Drilling was completed using conventional RC drilling techniques. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • RC sample recovery was assessed by the sample produced from the rig mounted rotary splitter and recorded in logging sheets. |
| ***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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean,* | • Qualitative lithological descriptions (colour, weathering, grain size, lithology, mineralogy, veining textures and other significant features) were recorded by the field geologist. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • 1m RC samples were made into 2m composites by spearing 1m calico samples delivered from the rig mounted cyclone.<br>• The sample size is considered appropriate for the first pass nature of the completed drilling. |
| ***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.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • All samples were submitted o ALS laboratories in Kalgoorlie.<br>• 2m composite samples were analysed for 33 element suite by ME-ICP61.<br>• Field blanks were inserted in the sample sequence approximately 1 in 100 samples<br>• Field standards were inserted in the sample sequence approximately 1 in 33 samples<br>• The laboratory completed industry standard QAQC |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data* | • Sampling was supervised by senior personnel.<br>• No holes were twinned.<br>• Logging and sampling data collected in the field and results returned are stored in a database.<br>• No adjustments made to assay data. |
| ***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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Sample locations were surveyed using a handheld GPS positions were also checked against a Digital Elevation Model (DEM).<br>• Locations are reported in metres GDA94 MGA Zone 51.<br>• A Reflex multishot tool was used for end of drill hole deviation surveys |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Holes were collared at spacings to test the targeted ultramafic system<br>• RC samples were combined into 2m composites for first pass assaying.<br>• No Mineral Resources have been estimated. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assess and reported if material.* | • Intervals reported are not considered true widths.<br>• There is not enough information to make assumptions regarding drillhole orientation. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Samples were subject to industry standard sample security methods.<br>• Samples were placed in bulka bags and freighted directly to ALS in Kalgoorlie by DYM field personnel. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • No audits have been completed 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.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The D3 and D5 prospects and historic drilling are located on exploration licence E 15/1753 which is owned by Dynamic.<br>• No joint ventures or royalty interests are applicable. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Exploration has been undertaken by several companies over time including but not limited to WMC and Acacia Resources. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • Exploration is for Kambalda komatiite type nickel sulphide typical of the Yilgarn Region of Western Australia. |
| ***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:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.*<br>• *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.* | • Please see table and figures in main body of text. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate 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 aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Significant intercepts are presented as a simple average above a 0.35% cut-off with no internal waste and a minimum thickness of 2m. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • Downhole lengths reported are true widths are not known. |
| ***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.* | • See main body of announcement. |
| ***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 drilling results above a cut-off of 0.35% Ni are regarded as significant for early stage exploration and have been reported. |
| ***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.* | • No additional observations at this time. |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further RC drilling to test targets generated. |