

Desert Metals Limited

A.C.N. 617 947 172

Interim Financial Report

For the Half Year ended 31 December 2024

Corporate directory

Board of Directors

Mr Patrick John Flint
Mr Stephen Michael Ross
Ms Fatou Sylla Gueye

Non-Executive Chairman
Managing Director
Non-Executive Director

Company Secretary

Mr Paul Jurman

Registered and Principal Office

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Share Registry

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Stock Exchange

Australian Securities Exchange
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152-158 St Georges Terrace
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ASX Code

DM1
DM1O

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Directors' Report

Your directors present their report on Desert Metals Limited (the Company) and its controlled entities ("Group" or "Consolidated Entity") for the half year ended 31 December 2024.

Directors

The names of the directors who held office during or since the end of the half-year are:

- | | | |
|------------------------------|------------------------|-----------------------------|
| • Patrick John Flint | Non-Executive Chairman | |
| • Stephen Michael Ross | Managing Director | |
| • Fatou Sylla Gueye | Non-Executive Director | (appointed 6 August 2024) |
| • Mark Robert Stewart | Non-Executive Chairman | (resigned 26 November 2024) |
| • Robert Angus Castle Stuart | Non-Executive Director | (resigned 6 August 2024) |

REVIEW OF OPERATIONS

During the period, Desert Metals advanced exploration at its Côte d'Ivoire gold and lithium projects, with a focus on the Adzope and Tengrela South projects.

At Adzope, Desert Metals completed a ground geophysics survey, comprising Gradient Array Induced Polarisation and ground magnetics, channel and grab sampling of artisanal pits and surrounding areas and a comprehensive sampling program of more than 1,000 samples in the highly promising northeastern section of the project, known as the King Kong prospect. These activities identified a northeast-southwest +3.0km anomalous corridor defined by a coincident geophysical and gold-in-soil anomaly.

The Company subsequently completed a maiden drill program at the King Kong prospect, testing gold targets along the anomalous corridor. A total of nine holes were completed for ~1,700m over a strike length of +3.0km. This represented the first time this area had been drill tested. Multiple high-grade results were returned including 17m at 7.5g/t gold (Hole 24ADDD007) and 13m at 1.64g/t gold (Hole 24ADDD006) 1.4km along strike on the same interpreted structure.

Results indicate there is a strong correlation between mineralisation, chargeability, and gold-in-soil anomalies, which will help with targeting future drilling programs. This 3km zone, plus a +2.1km cross-cutting artisanal Beach zone, which remains untested, will be the focus of further geophysics, auger sampling, and diamond drilling in H1 2025.

At Tengrela South, Desert Metals completed soil sampling at the northern Tiogo and Kakologo prospects which returned two distinct gold anomalies – a 3.6km long gold anomaly at the western Tiogo prospect and a 2.1km gold anomaly at the eastern Kakologo prospect. Desert Metals plans to drill test these in 2025 with up to 100 aircore holes for 3,500m planned.

A total of 14 shallow reverse circulation (RC) drill holes for ~1,700m were also completed on the Podio prospect at Tengrela South, with 11 holes intersecting gold.

With its focus on Côte d'Ivoire, Desert Metals continues actively seeking joint venture partners for its WA assets.

Corporate

Board Changes

Desert Metals appointed West African mining professional Ms. Fatou S. Gueye as a Non-Executive Director, following the resignation of Dr Robert Stuart in August 2024.

In November 2024, Non-Executive Director Patrick Flint moved to the role of Non-Executive Chairman, after Mark Stewart resigned.

Subsequent events

There were no material events subsequent to the balance date and up until the authorisation of the financial statements for issue other than the following:

- In February 2025, the Company advised it had received firm commitments to raise A\$3.25 million (before costs) via a placement of approximately 166,666,667 fully paid ordinary shares ("Shares") at an issue price of A\$0.0195 per share ("Placement"). Tranche 1 of the Placement comprising 58,394,884 Shares was completed in February 2025 raising \$1,138,700 (before costs of raising).
- A shareholder meeting is set for 8 April 2025 to seek approval for Tranche 2 of the Placement, which comprises 108,271,783 Shares at \$0.0195 per share to raise \$2,111,300 (before costs).
- CPS Capital Group Pty Ltd ("CPS") was appointed as Lead Manager and Broker for the Placement. For managing the Placement (including obtaining the firm commitments), CPS (or its nominee) will subscribe, subject to shareholder approval and completion of the Placement, for 26.5 million options exercisable at \$0.035, expiring three years from date of issue at an issue price of \$0.00001 ('Options').

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 (Cth) for the half year ended 31 December 2024 is set out on the next page.

This report is made in accordance with a resolution of directors.

On behalf of the directors



STEPHEN ROSS
Managing Director
Dated this 13th day of March 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Desert Metals Limited and the entities it controlled for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 13th day of March 2025
Perth, Western Australia

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Condensed Consolidated Statement of profit or loss and other comprehensive income

For the half year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Continuing operations			
Other revenue		46,785	7,642
		<u>46,785</u>	<u>7,642</u>
Compliance costs		(38,044)	(41,559)
Depreciation		(8,426)	(10,754)
Directors fees		(218,233)	(94,350)
Exploration and Evaluation written off		(83,941)	(36,756)
Foreign exchange costs		(2,485)	-
Information technology costs		(17,467)	(18,715)
Occupancy costs		(25,300)	(41,867)
Professional fees		(111,824)	(142,500)
Public relations and marketing		(65,000)	-
Share based payments		(75,494)	-
Travel costs		(24,217)	(2,663)
Administrative expenses		(64,418)	(82,638)
		<u>(734,849)</u>	<u>(471,802)</u>
Loss before tax		(688,064)	(464,160)
Income tax benefit		-	-
		<u>-</u>	<u>-</u>
Net loss for the period		<u>(688,064)</u>	<u>(464,160)</u>
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Exchange differences as translation of foreign operations		4,757	-
		<u>4,757</u>	<u>-</u>
Other comprehensive income for the period, net of tax		<u>4,757</u>	<u>-</u>
Total comprehensive loss for the period		<u>(683,307)</u>	<u>(464,160)</u>
Loss per Share:			
Basic and diluted (cents per share)		(0.26)	(0.63)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of financial position

As at 31 December 2024

	Note	31 Dec 2024 \$	30 June 2024 \$
<i>Current Assets</i>			
Cash and cash equivalents		984,626	2,668,186
Receivables	4	71,608	59,263
Total Current Assets		1,056,234	2,727,449
<i>Non-Current Assets</i>			
Exploration and evaluation expenditure	5	5,286,864	3,963,879
Property, plant and equipment	6	81,844	85,482
Total Non-Current Assets		5,368,708	4,049,361
Total Assets		6,424,942	6,776,810
<i>Current Liabilities</i>			
Trade and other payables	7	632,943	376,998
Total Current Liabilities		632,943	376,998
Total Liabilities		632,943	376,998
Net Assets		5,791,999	6,399,812
<i>Equity</i>			
Issued capital	8	17,566,987	17,519,987
Reserves	9	601,385	650,934
Accumulated losses		(12,376,373)	(11,771,109)
Total Equity attributable to owners of the parent		5,791,999	6,399,812
Total Equity		5,791,999	6,399,812

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of changes in equity

For the half year ended 31 December 2024

	Note	Issued Capital \$	Share Options Reserves \$	Performance Rights Reserve \$	Translation Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2023		10,838,241	932,026	-	-	(2,568,158)	9,202,109
Loss for the period		-	-	-	-	(464,160)	(464,160)
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	(464,160)	(464,160)
<i>Transactions with owners, directly in equity</i>							
Share issued during the period	8	127,500	-	-	-	-	127,500
Issue of options as share-based payments	8	-	24,578	-	-	-	24,578
Expiry of options		-	(640,830)	-	-	640,830	-
Balance at 31 December 2023		10,965,741	315,774	-	-	(2,391,488)	8,890,027
Balance as at 1 July 2024		17,519,987	661,345	-	(10,411)	(11,771,109)	6,399,812
Loss for the period		-	-	-	-	(688,064)	(688,064)
Other comprehensive income for the period		-	-	-	4,757	-	4,757
Total comprehensive income for the period		-	-	-	4,757	(688,064)	(683,307)
<i>Transactions with owners, directly in equity</i>							
Shares issued during the period	8	47,000	-	-	-	-	47,000
Issue of performance rights as share-based payments	9.2	-	-	28,494	-	-	28,494
Expiry of options	9.1	-	(82,800)	-	-	82,800	-
Balance at 31 December 2024		17,566,987	578,545	28,494	(5,654)	(12,376,373)	5,791,999

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of cash flows

For the half year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
<i>Cash flows from operating activities</i>			
Other revenue received		3,300	-
Interest received		39,885	7,642
Payments to suppliers and employees		(574,983)	(370,967)
Net cash used in operating activities		(531,798)	(363,325)
<i>Cash flows from investing activities</i>			
Payments for exploration and evaluation activities		(1,129,900)	(1,005,483)
Payments for subsidiary company		(74,425)	-
Cash from acquisition of subsidiary company		73,806	-
Payment of security bond		(14,203)	-
Payments for property, plant and equipment		(4,555)	(686)
Net cash used in investing activities		(1,149,277)	(1,006,169)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		-	-
Payment for share issue costs		-	-
Net cash provided from financing activities		-	-
Net increase / (decrease) in cash held		(1,681,075)	(1,369,494)
Cash and cash equivalents at the beginning of the period		2,668,186	1,968,981
Effects of exchange rate changes on cash held in foreign currencies		(2,485)	-
Cash and cash equivalents at the end of the period		984,626	599,487

The condensed consolidated statement of cash flow is to be read in conjunction with the accompanying notes.

Notes to the financial statements

For the half year ended 31 December 2024

1. Statement of material accounting policies

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as the full year annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX.

The half-year financial report was authorised for issue by the directors on 13 March 2025.

1.1 Basis of preparation

The interim report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied. The financial statements are for the Consolidated Entity (or "Group") consisting of Desert Metals Limited ("Company") and the entities it controlled from time to time throughout the year. For the purpose of preparing the consolidated financial statements, Desert Metals Limited (or the "Company") is a for profit company limited by shares, incorporated and domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2024 annual financial report for the financial year ended 30 June 2024 and the corresponding half-year financial report, except for the impact of the new and revised Standards and Interpretations effective 1 July 2024, as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Going Concern

The interim report for the half year ended 31 December 2024 is prepared on a going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Company's assets and the settlement of liabilities in the normal course of business.

The Company has incurred a loss for the period after tax of \$688,064 (2023: \$464,160) and experienced net operating and investing cash outflows of \$1,681,075 (2023: \$1,369,494). As at 31 December 2024, the Company has net current assets of \$423,291 (30 June 2024: \$2,350,451).

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

As disclosed in note 12 subsequent events, in February 2025 the Company advised it had received firm commitments to raise A\$3.25 million (before costs) via a placement of approximately 166,666,667 fully paid ordinary shares ("Shares") at an issue price of A\$0.0195 per share ("Placement"). Tranche 1 of the Placement was completed in February 2025 raising \$1,138,700 (before costs). A shareholder meeting is set for 8 April 2025 to seek approval for Tranche 2 of the Placement to raise a further \$2,111,300 (before costs).

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash to meet proposed exploration activities and working capital requirements for the 12-month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Directors have an appropriate plan to raise additional funds as and when they are required, and
- the Group has the ability to scale down its operations in order to curtail expenditure, in the event that any further capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate, in particular given the Company's history of raising capital to date. The Directors are confident of the Company's ability to raise funds as and when required.

Notes to the financial statements

For the half year ended 31 December 2024

Should the Group not be able to fund its operations in accordance with the factors set out above, there is material uncertainty whether it would be able to continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

1.2 Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2024, except for the impact of the new Standards and Interpretations effective 1 July 2024, as outlined below.

1.3 Adoption of new and revised Standards

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current annual financial reporting period beginning from 1 July 2024. It has been determined by the Company that there is no impact, material or otherwise, of the new or amended Accounting Standards and therefore no changes to Company accounting policies. No retrospective change in accounting policy or material reclassification has occurred during the half year.

2. Segment information

The Company operates in the mineral exploration industry. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. None of the individual operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all of its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Company as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Company and are set out in the consolidated statement of financial position.

3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2024 and the directors have not recommended the payment of a dividend.

4. Trade and other receivables

	31 Dec 2024	30 Jun 2024
	\$	\$
Trade debtors	3,960	-
Prepayments	18,032	20,487
GST receivable	22,653	26,016
Security / Rent bonds	26,963	12,760
	71,608	59,263

Notes to the financial statements

For the half year ended 31 December 2024

5. Exploration and evaluation expenditure

	31 Dec 2024	30 Jun 2024
	\$	\$
Brought forward exploration and evaluation expenditure	3,963,879	7,284,565
Expenditure incurred during the period	1,322,985	1,673,519
Acquired	-	3,407,409
Impaired	-	(8,401,614)
Carried forward exploration and evaluation expenditure	5,286,864	3,963,879

6. Property, plant and equipment

	31 Dec 2024	30 Jun 2024
	\$	\$
Plant and equipment	25,964	28,790
Furniture	1,922	1,959
Office equipment	3,633	-
Computer equipment and software	18,114	20,356
Motor vehicles	32,211	34,377
	81,844	85,482

7. Trade and other payables

	31 Dec 2024	30 Jun 2024
	\$	\$
Trade payables and other payables	197,741	244,060
Accrued expenses	435,202	132,938
	632,943	376,998

8. Issued capital

	31 Dec 2024	30 Jun 2024
	\$	\$
267,425,693 fully paid ordinary shares (30 June 2024: 265,425,693)	17,566,987	17,519,987

	Half-year ended		Year ended	
Fully paid ordinary shares	31 Dec 2024		30 Jun 2024	
	No.	\$	No.	\$
Balance at beginning of period	265,425,693	17,519,987	72,541,078	10,838,241
Issue of shares ⁽ⁱ⁾	-	-	2,500,000	127,500
Issue of shares ⁽ⁱⁱ⁾	-	-	115,384,615	3,750,000
Issue of shares ⁽ⁱⁱⁱ⁾	-	-	75,000,000	3,300,000
Issue of shares ^(iv)	2,000,000	47,000	-	-
Share issue costs	-	-	-	(495,754)
	267,425,693	17,566,987	265,425,693	17,519,987

Notes to the financial statements

For the half year ended 31 December 2024

8. Issued capital (continued)

- (i) Issue of fully paid ordinary shares at \$0.051 each on 16 November 2023 as part consideration for acquisition of a 60% interest in five tenements comprising the Little Gap Well and Mt Opal projects within the Meekatharra gold district.
- (ii) Issue of fully paid ordinary shares at \$0.0325 each on 19 January 2024 pursuant to a placement to sophisticated investors in the Company.
- (iii) Issue of fully paid ordinary shares at a deemed price of \$0.044 each for the acquisition of 100% of the issued capital of CDI Resources Limited.
- (iv) 2,000,000 Performance Rights vested as the relevant performance condition was satisfied, and as a result 2,000,000 ordinary fully paid shares were issued to Mr Stephen Ross (Managing Director, 1,000,000 Shares) and to Mr Richard Tomlinson (Group Exploration Manager, 1,000,000 Shares).

9. Reserves

9.1 Share Options Reserves

The Share options reserve represents amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company and the value of options issued to third parties for services rendered.

Options Granted during the period

Unlisted options	Half-year ended		Year ended	
	31 Dec 2024		30 Jun 2024	
	No.	\$	No.	\$
Balance at beginning of period	77,558,216	661,345	18,415,908	932,026
Issue of options	-	-	1,250,000	24,578
Issue of options	-	-	7,500,000	230,098
Issue of options	-	-	57,692,308	-
Issue of options	-	-	5,000,000	115,473
Lapsed during the period	(800,000)	(82,800)	(12,300,000)	(640,830)
Balance at end of period	76,758,216	578,545	77,558,216	661,345

The following options arrangements were in existence at the reporting date:

Options Series	Number	Grant Date	Expiry Date	Exercise price \$	Fair value at grant date \$	Vesting date
DM1EOPT4	4,090,908	02 Jun 2022	02 Jun 2025	\$0.5000	\$0.0000	02 Jun 2022
DM1EOPT5	225,000	31 Aug 2022	31 Aug 2025	\$0.3500	\$0.1308	31 Aug 2022
DM1UOPT6	1,000,000	08 Mar 2023	08 Mar 2026	\$0.4050	\$0.1787	08 Mar 2023
DM1UOPT7	1,250,000	16 Nov 2023	16 Nov 2026	\$0.1500	\$0.0196	16 Nov 2023
DM1UOPT8	7,500,000	19 Jan 2024	31 Dec 2026	\$0.0600	\$0.0306	19 Jan 2024
DM1UOPT9	57,692,308	19 Jan 2024	31 Dec 2025	\$0.0600	\$0.0000	19 Jan 2024
DM1UOPT10	5,000,000	22 Jan 2024	22 Jan 2027	\$0.0625	\$0.0231	22 Jan 2024

Notes to the financial statements

For the half year ended 31 December 2024

9.1 Options Reserve (continued)

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Series	Dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options (years)	Exercise price (cents)	Grant date share price (cents)
DM1EOPT3	-	100.00	0.53	3	0.6000	0.240
DM1EOPT4	-	-	-	3	0.5000	0.245
DM1EOPT5	-	114.00	2.81	3	0.3500	0.215
DM1EOPT6	-	122.40	2.72	3	0.4050	0.270
DM1EOPT7	-	121.70	4.23	3	0.1500	0.051
DM1EOPT8	-	126.50	3.87	2.95	0.0600	0.044
DM1EOPT9	-	-	-	-	-	-
DM1EOPT10	-	126.49	3.84	3	0.0625	0.035

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

9.2 Performance Rights Reserve

The Performance rights options reserve represents the value of performance rights issued to third parties for services rendered.

Performance Rights Granted during the period

Performance Rights	Half-year ended		Year ended	
	31 Dec 2024		30 Jun 2024	
	No.	\$	No.	\$
Balance at beginning of period	-	-	-	-
Issue of performance rights - directors	17,500,000	39,897	-	-
Issue of performance rights – employees and consultants	7,000,000	35,597	-	-
Vested during the period (i)	(2,000,000)	(47,000)	-	-
Balance at end of period	22,500,000	28,494	-	-

(i) 2,000,000 Performance Rights vested as the relevant performance condition was satisfied, and as a result 2,000,000 ordinary fully paid shares were issued to Mr Stephen Ross (Managing Director, 1,000,000 Shares) and to Mr Richard Tomlinson (Group Exploration Manager, 1,000,000 Shares).

The vesting condition was achieved on 10 December 2024 when the Company announced (in accordance with the JORC code) a gold intersection of >50-gram metres where the length is >=5m and the grade is >=2.0g/t gold at the Adzope Gold Project in Côte d'Ivoire.

Notes to the financial statements

For the half year ended 31 December 2024

9.2 Performance Rights Reserve (continued)

The following performance rights arrangements were in existence at the reporting date:

Performance Rights Series	Number	Grant Date	Vesting Condition	Performance Period	Expiry Date date
\$					
DM1PR1	500,000	08 Oct 2024	i	1 year from issue	08 Oct 2028
DM1PR2	500,000	08 Oct 2024	ii	2 years from issue	08 Oct 2028
DM1PR3	500,000	08 Oct 2024	iii	47 months from issue	08 Oct 2028
DM1PR5	1,000,000	08 Oct 2024	iv	2 years from issue	08 Oct 2028
DM1PR6	1,500,000	08 Oct 2024	v	47 months from issue	08 Oct 2028
DM1PR7	4,650,000	28 Nov 2024	i	1 year from issue	28 Nov 2028
DM1PR8	4,650,000	28 Nov 2024	ii	2 years from issue	28 Nov 2028
DM1PR9	5,200,000	28 Nov 2024	iii	4 years from issue	28 Nov 2028
DM1PR11	2,000,000	28 Nov 2024	iv	2 years from issue	28 Nov 2028
DM1PR12	2,000,000	28 Nov 2024	v	47 months from issue	28 Nov 2028

i The Company achieving a 10 day VWAP of \$0.0375 on or before the expiry date.

ii The Company achieving a 10 day VWAP of \$0.06 on or before the expiry date.

iii The Company achieving a 10 day VWAP of \$0.09 on or before the expiry date.

iv The Company announcing a JORC compliant mineral resource estimate of >500,000 ounces at >= 1.5g/t gold (at a 0.5g/t au lower cut off) at any one of its gold projects in Côte d'Ivoire in existence now or during the term of the Performance Rights.

v The Company announcing a JORC compliant mineral resource estimate of >1,000,000 ounces at >= 1.5g/t gold (at a 0.5g/t au lower cut off) at any one of its gold projects in Côte d'Ivoire in existence now or during the term of the Performance Rights.

The fair value of the equity-settled performance rights granted is estimated as at the date of grant using the Binomial Option Pricing model, taking into account the terms and conditions upon which the performance rights were granted.

Series	Dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options (years)	Exercise price (cents)	Grant date share price (cents)
DM1PR1	-	108.6	3.53	4	0.0375	0.0240
DM1PR2	-	114.0	3.53	4	0.0600	0.0240
DM1PR3	-	118.6	3.53	4	0.0900	0.0240
DM1PR5	-	114.0	3.53	4	n/a	0.0240
DM1PR6	-	118.6	3.53	4	n/a	0.0240
DM1PR7	-	115.0	3.53	4	0.0375	0.0230
DM1PR8	-	114.0	3.53	4	0.0600	0.0230
DM1PR9	-	118.6	3.53	4	0.0900	0.0230
DM1PR11	-	114.0	3.53	4	n/a	0.0230
DM1PR12	-	118.6	3.84	4	n/a	0.0230

During the half year, the Directors have assessed the likelihood for the milestones for the performance rights being met. Accordingly, \$75,494 has been expensed during the period as share based payments.

Notes to the financial statements

For the half year ended 31 December 2024

9.3 Translation reserve

The translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations

	31 Dec 2024	30 Jun 2024
	\$	\$
Balance at beginning of period	(10,411)	-
Currency translation differences arising during the period	4,757	(10,411)
Total	(5,654)	(10,411)

10. Contingent liabilities and contingent assets

The directors are not aware of any contingent liabilities and/or contingent assets at 31 December 2024 and 30 June 2024.

11. Related party transactions

The related party transactions of the half-year financial report are consistent with those adopted and disclosed in the Company's 2024 annual financial report for the financial year ended 30 June 2024 other than the following:

- During the half-year, \$7,590 was paid to Oxford Capital Partners International Pty Ltd, a company in which Managing Director Mr. Ross is a director and has a beneficial interest, for office space and supporting office equipment and a further \$14,203 was paid as a security bond for the office space.

12. Subsequent events

There were no material events subsequent to the balance date and up until the authorisation of the financial statements for issue other than the following:

- In February 2025, the Company advised it had received firm commitments to raise A\$3.25 million (before costs) via a placement of approximately 166,666,667 fully paid ordinary shares ("Shares") at an issue price of A\$0.0195 per share ("Placement"). Tranche 1 of the Placement comprising 58,394,884 Shares was completed in February 2025 raising \$1,138,700 (before costs of raising).
- A shareholder meeting is set for 8 April 2025 to seek approval for Tranche 2 of the Placement, which comprises 108,271,783 Shares at \$0.0195 per share to raise \$2,111,300 (before costs).
- CPS Capital Group Pty Ltd ("CPS") was appointed as Lead Manager and Broker for the Placement. For managing the Placement (including obtaining the firm commitments), CPS (or its nominee) will subscribe, subject to shareholder approval and completion of the Placement, for 26.5 million options exercisable at \$0.035, expiring three years from date of issue at an issue price of \$0.00001 ('Options').

Directors' Declaration

The Directors declare that:

1. The financial statements and notes as set out on pages 4 to 14 are in accordance with the Corporations Act 2001, including that they:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements, comply with AASB 134: *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position of the Company as at 31 December 2024 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



STEPHEN ROSS
Managing Director
Dated this 13th day of March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DESERT METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Desert Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Desert Metals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$688,064 during the half year ended 31 December 2024. As stated in Note 1.1, these events or conditions, along with other matters as set forth in Note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 13th day of March 2025
Perth, Western Australia