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Desert Minerals Limited

ACN 680 419 345

General Purpose Financial Report

For the Period Ended 30 June 2025

Desert Minerals Limited

ACN 680 419 345

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For the Period Ended 30 June 2025

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Directors' Report

30 June 2025

The Directors of Desert Minerals Limited ("the Company") submit herewith the financial report from the date of incorporation up until the period ended 30 June 2025. The directors' report is as follows:

Directors

The names and particulars of the directors of the Company during or since the end of the period are:

Peretz Schapiro	Appointed 2 September 2024
Kevin Shane Berry	Appointed 1 November 2024, Resigned 22 January 2025
Adam Caine Ritchie	Appointed 1 November 2024
Daniel Trevor Campbell	Appointed 22 January 2025
Patric Ho	Appointed 18 March 2025

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Principal activities

The principal activities for the Company for the period has been as a dormant entity awaiting the opportunity to list on the Australian Securities Exchange.

Review of operations

The loss of the Company after providing for income tax for the period ended 30 June 2025 was \$340,314.

State of affairs

There have been no significant changes in the state of affairs of the Company during the period.

Events after the reporting date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

Dividends

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

Likely developments and expected results of operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Options

No options over issued shares or interests in the Company were granted during or since the end of the period and there were no options outstanding at the date of this report.

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Directors' Report

30 June 2025

Indemnification and insurance of officers and auditors

During the period, a related party of the Company paid a premium in respect of a contract insuring the Directors of the Company and all of the executive officers and employees of the Company and any related body corporate against a liability incurred as such a director, executive officer or employee to the extent permitted by the *Corporations Act 2001*.

The Company has not otherwise, during the period ended 30 June 2025 and up to the date of this report, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Signed in accordance with a resolution of the Board of Directors:



Director:

Peretz Schapiro

05/08/2025

Dated this day of 2025

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Statement of Profit or Loss and Other Comprehensive Income For the Period Ended 30 June 2025

	Note	30 June 2025
		\$
Other income		441
Advertising		(9,000)
Professional services		(316,132)
Finance		(6,879)
Other		(8,724)
Loss before income tax		(340,294)
Income tax expense	4	(20)
Loss for the period		(340,314)
Other Comprehensive Income, Net of Tax		-
Other comprehensive income		-
Total comprehensive loss for the period		(340,314)

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The accompanying notes form part of these financial statements.

Desert Minerals Limited

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Statement of Financial Position

As At 30 June 2025

	Note	30 June 2025 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	4,602
Trade and other receivables	6	12,646
TOTAL CURRENT ASSETS		17,248
TOTAL ASSETS		17,248
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	7	160,853
Financial liabilities	8	196,649
TOTAL CURRENT LIABILITIES		357,502
TOTAL LIABILITIES		357,502
NET LIABILITIES		(340,254)
EQUITY		
Issued capital		60
Accumulated losses		(340,314)
TOTAL EQUITY		(340,254)

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The accompanying notes form part of these financial statements.

Desert Minerals Limited

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Statement of Changes in Equity For the Period Ended 30 June 2025

Balance at 2 September 2024

Transactions with members of the Company

Issue of ordinary shares

Comprehensive income

Loss for the period

Total comprehensive loss for the period

Balance at 30 June 2025

Issued Capital	Retained Earnings	Total
\$	\$	\$
-	-	-
60	-	60
-	(340,314)	(340,314)
-	(340,314)	(340,314)
60	(340,314)	(340,254)

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Statement of Cash Flows For the Period Ended 30 June 2025

	Period 30 June 2025
Note	\$
CASH FLOWS FROM OPERATING ACTIVITIES:	
Other income received	441
Payments made to suppliers	(185,649)
Finance costs paid	(6,879)
Income taxes paid	(20)
Net cash used in operating activities	(192,107)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net cash provided by investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from the issue of ordinary capital	60
Related party loans received	196,649
Net cash provided by financing activities	196,709
Net increase in cash and cash equivalents held	4,602
Cash and cash equivalents at beginning of financial period	-
Cash and cash equivalents at end of financial period	4,602

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The accompanying notes form part of these financial statements.

Desert Minerals Limited

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Notes to the Financial Statements For the Period Ended 30 June 2025

1 General information

Desert Minerals Limited ("the Company") is an unlisted public Company incorporated and domiciled in Australia.

The ultimate parent company of the Company is Loyal Metals Limited ("LLM"), a public company incorporated and domiciled in Australia listed on the Australian Stock Exchange. LLM owns 100% of the Company at reporting date.

The financial statements cover the period from the date the Company was incorporated, 2 September 2024, to 30 June 2025. The financial statements were authorised for issue by the directors on the same date as the directors' report.

Adoption of new and revised Accounting Standards

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

As at 30 June 2025, the Company is dormant and has no cash inflows from normal operating activities, to support the net operating loss of the Company for the period. As such the Directors have prepared the financial statements on a going concern basis under the circumstances that the Company is economically dependent on Loyal Metals Limited ("LLM") to provide the necessary funding for the Company discharge its liabilities in the normal course of business as and when they arise.

In addition to the economic dependency on LLM, the Directors also intent to raise \$5,000,000, which will be used for the following:

- undertake a drilling campaign at the Mt Monger Projects, aiming to find extensions to the existing resource and follow up on additional promising gold targets;
- undertake significant work at the Scotty Lithium Project, including:
 - commencing a drilling campaign to prove up a JORC compliant resource (subject to results); and
 - undertaking various test works to incorporate into an economic study;
- have sufficient working capital for additional marketing, exploration and future acquisitions; and
- pay for the costs of the capital raise.

The plan is conditioned upon LLM successfully execute its corporate strategy.

Whilst the Directors are confident in the outlook of the Company, the ability of the Company to continue as a going concern is dependent upon executing the strategy that has been put in place (as disclosed above). As a result of these matters, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts recorded in the financial statements

Information about the Company

The addresses of its registered office and principal place of business are as follows:

Registered office

LCP Group
Level 1, 1 Alvan Street
Subiaco
WA 6008

Principal place of business

LCP Group
Level 1, 1 Alvan Street
Subiaco
WA 6008

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Notes to the Financial Statements For the Period Ended 30 June 2025

2 Summary of material accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the *Corporations Act 2001*.

The financial statements are presented in Australian Dollars, which is the Company's functional currency. Amounts are rounded to the nearest dollar, unless otherwise stated.

The accounting policies adopted are set out below.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company classifies its financial assets into categories depending on the purpose for which the asset was acquired. All of the Company's financial assets at reporting date are classified at amortised cost.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Trade payables

The carrying value of trade and other payables classified as financial liabilities are measured at amortised cost which approximates fair value.

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

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Notes to the Financial Statements For the Period Ended 30 June 2025

2 Summary of material accounting policies

Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Share-based payments are also provided to consultants and other suppliers in exchange for the rendering of services.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Where equity-settled transactions include a non-market condition, the fair value of the equity-settled transactions excludes the effect of this vesting condition. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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Notes to the Financial Statements For the Period Ended 30 June 2025

3 Profit for the period

	30 June 2025 \$
Realised foreign exchange gains/(losses)	331
Interest income	110

4 Income tax expense

Corporate income tax:

Current period	20
----------------	----

Loss before tax on continuing operations

Tax benefit at the Australian corporations tax rate of 25%	(85,074)
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- Current period tax losses not recognised	85,074
- Other	20

Income tax expense	20
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Tax balances not recognised at period-end

- Revenue losses	83,416
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5 Cash and cash equivalents

Cash at bank	4,602
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6 Trade and other receivables

CURRENT

GST receivables	12,646
-----------------	---------------

7 Trade and other payables

CURRENT at Amortised Cost

Trade payables	140,853
Accruals	20,000
	160,853

8 Financial liabilities

CURRENT at Amortised Cost

Related party loan payable - unsecured	196,649
--	----------------

The Company has a loan payable with its parent entity Loyal Metals Limited, in AUD. The loan with LLM is considered to be on commercial terms, with an interest rate of 12% and maturity date of 18 February 2026. At 30 June 2025, the interest charged was \$6,649.

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Notes to the Financial Statements For the Period Ended 30 June 2025

8 Financial liabilities (continued)

In consideration of LLM facilitating and providing the loan, the Company will issue 1,000,000 options to LLM with an exercise price of \$0.30 and an expiry date of 3 years from (and conditional on) the date of the Company listing on the ASX. The fair value of the option is determined using the black-Scholes model with the following assumptions:

Number of options issued	1,000,000
Life of the options	3 years
Underlying share price	\$0.20
Exercise Price	\$0.30
Expected Volatility	100%
Risk-Free Interest Rate	3.738%
Underlying fair value at grant date per option	\$0.111

As at the reporting date it is assessed that likelihood of the IPO proceeding is less than probable, and no expense has been recognised.

9 Commitments and contingencies

The Company did not have any capital commitments or known contingent liabilities or assets at 30 June 2025.

10 Related Parties

(a) Ultimate parent entity

As disclosed in Note 1 of the financial report, the ultimate parent company of the Company is Loyal Metals Limited ("LLM"), a public company incorporated and domiciled in Australia listed on the Australian Stock Exchange.

(b) Transactions with related parties

At the date of incorporation, all 60 units of issued capital were issued to the LLM at \$1 per unit (60 units).

Outside of the above and Note 8, there were no transactions conducted between the entity and key management personnel or their related parties, during the period ended 30 June 2025.

(c) Key management personnel remuneration

The directors are given share options of the company, The terms and conditions of the options are set out in Note 13.

For the period ended 31 December 2024, no other remuneration was paid to the key management personnel of Desert Minerals Limited.

11 Remuneration of the auditors

Amounts paid or payable to BDO Australia and network firms

Audit or review of the financial report
Other services

30 June 2025 \$
25,750
19,712
<u>45,462</u>

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Notes to the Financial Statements For the Period Ended 30 June 2025

12 Financial risk management

The Company does not currently have any operating activities, and is subject to limited exposure of risks relating to their financial instruments – with the exception of interest rate, credit and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the Company.

Interest rate risk

Interest rate risk arises from investment of cash at variable rates. The Company's income and operating cash flows are not materially exposed to changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	Profit or loss 100bp increase	Profit or loss 100bp decrease	Equity 100 bp increase	Equity 100 bp decrease
	\$	\$	\$	\$	\$
30 June 2025					
Variable rate instruments					
Cash and cash equivalents	4,602	46	(46)	46	(46)

An increase of 100 basis points (decrease of 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts presented above. This analysis assumes that all other (variables remain constant).

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents held with a bank and financial institutions and receivables due from other entities. For banks and financial institutions, only dependently rated parties with a minimum rating of 'A' are accepted.

The maximum exposure to credit risk is the carrying amount of the financial asset. The maximum exposure to credit risk at the reporting date was:

30 June 2025	\$
Cash and cash equivalents	4,602
Trade and other receivables	12,646
	17,248

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Notes to the Financial Statements For the Period Ended 30 June 2025

12 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk arises from operational commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management aims at maintaining flexibility in funding by regularly reviewing cash requirements and monitoring forecast cash flows.

The following are the contractual maturities of financial liabilities:

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Less than 1 year \$	1 - 2 years \$	2 - 5 years \$	Over 5 years \$	Total remaining \$
30 June 2025					
<i>Non-interest bearing</i>					
Trade and other payables	160,853	-	-	-	160,853
<i>Interest bearing</i>					
Financial liabilities	196,649	-	-	-	196,649
	357,502	-	-	-	357,502

Fair value

The carrying amount of the financial assets financial liabilities recorded in the financial statements represent the their respective net fair value determined in accordance with the accounting policies.

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Notes to the Financial Statements For the Period Ended 30 June 2025

13 Share based payment

From time to time, the Company provides incentive options to officers, employees, consultants, vendors and other key advisors as part of remuneration and incentive arrangements. The number of options and rights granted and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required. During the period, as part of the potential IPO, the following share-based payments have been provided to various parties.

	Number of options	Fair value per option	Fair value
Lead Manager Options	3,000,000	\$0.111	\$333,000
Broker Options	3,000,000	\$0.111	\$333,000
Board Options (Note 10)	1,500,000	\$0.111	\$166,500
Employee Options	1,000,000	\$0.111	\$111,000
	<u>8,500,000</u>		

The detail of the options is:

Grant date	Subject to the success of the IPO
Number of options issued	8,500,000
Life of the options	3 years
Underlying share price	\$0.20
Exercise Price	\$0.30
Expected Volatility	100%
Risk-Free Interest Rate	3.738%
Underlying fair value at grant date per option	\$0.111

The grant of the options subject to a successful IPO of the entity in ASX. As at the reporting date it is assessed that likelihood of the IPO proceeding is less than probable, and no expense has been recognised.

14 Events after the End of the Reporting Period

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

15 Approval of the financial report

The financial statements were approved by the board of directors and authorised for issue on the date of the signed director's declaration.

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Consolidated Entity Disclosure Statement

Desert Mineral Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements.

As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 to 13:
 - (a) comply with Australian Accounting Standards,
 - (b) give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the period ended on that date, and
 - (c) in the directors' opinion, the attached consolidated entity disclosure statement on page 14 is true and correct
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 with the parent company.

Signed in accordance with a resolution of the directors.

On behalf of the directors

Director 
Peretz Schapiro

05/08/2025

Dated this day of 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of Desert Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Desert Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of Desert Minerals Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the period ended on that date; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Jarrad Prue

Director

Perth, 5 August 2025



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF DESERT MINERALS LIMITED

As lead auditor of Desert Minerals Limited for the period ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Jarrad Prue
Director

BDO Audit Pty Ltd
Perth
5 August 2025