



ACN 617 947 172

**Corporate Governance
Statement
for the year ended 30 June 2024**

The board of directors of Desert Metals Limited (Desert Metals or the Company) is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's (CGC) Corporate Governance Principles and Recommendations (Recommendations) and CGC published guidelines.

In accordance with ASX Listing Rule 4.10.3, this Corporate Governance Statement (Statement) discloses the extent to which the Company has followed the Recommendations by detailing the Recommendations that have not been adopted by the Company and the reasons why they have not been adopted. In the areas where the Company does not follow the Recommendations, the Company is working toward compliance or does not consider that the practices are appropriate for the current size and scale of operations.

This Statement was approved by the board of directors and is current as at 30 June 2024. All these practices, unless otherwise stated, were in place for the entire year.

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- (a) the respective roles and responsibilities of its board and management; and*
- (b) those matters expressly reserved to the board and those delegated to management.*

The Board has adopted the Board Charter set out in Schedule 1 of the Corporate Governance Plan setting out the respective roles and responsibilities of its Board and management and those matters expressly reserved to the Board and those delegated to management.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and*
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company has a Nomination Committee Charter to review and monitor the composition of the Company's board of directors and executives. As the Company is not of a sufficient size, the Board as a whole administers the Nomination Committee Charter, which directs the Board to ensure the following;

The Company shall undertake appropriate checks before appointing a Director or senior executive or putting forward to security holders a candidate for election, as a Director, including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate).

The Company shall ensure that all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director, including:

1. biographical details (including relevant qualifications, experience and skills);
2. details of any other material directorships currently held by the candidate;
3. where standing as a Director for the first time, confirmation that the entity has conducted appropriate checks into the candidate's background and experience and any material adverse information revealed by those checks, details of any interest, position or relationship that might materially influence their capacity to be independent and act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party, and a statement as to whether the Board consider the candidate to be independent;
4. where standing for re-election as a Director, the term of office served by the Director and a statement as to whether the Board considers the candidate to be independent; and
5. a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Nomination Committee Charter, currently carried out by the Board specifies that the Company shall ensure that each Director and senior executive is personally a party to a written agreement with the Company, which sets out the terms of that Director's or senior executive's appointment. For these purposes, a senior executive is a member of key management personnel (as defined in the Corporations Act 2001(Cth)), other than a Director. Where the Company engages a bona fide professional services firm to provide a chief financial officer, the agreement may be between the Company and the professional services firm.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Board sets out the Company Secretary's duties as follows:

1. When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its committees and between senior executives and non-executive Directors.
2. The Company Secretary is accountable directly to the Board, through the Chairman of the Board, on all matters to do with the proper functioning of the Board.
3. The Company Secretary is to facilitate the induction and professional development of Directors.
4. The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
5. The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's constitution, the ASX Listing Rules and applicable other laws.
6. All Directors have access to the advice and services provided by the Company Secretary.
7. The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

Recommendation 1.5

A listed entity should:

- (a) *have and disclose a diversity policy;*
- (b) *through its board and committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) *disclose in relation to each reporting period:*
 - (1) *the measurable objectives set for that period to achieve gender diversity;*
 - (2) *the entity's progress towards achieving those objectives; and*
 - (3) *either:*
 - (A) *the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or*
 - (B) *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

If the entity was in the S&P / ASX300 Index at the Commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specific period.

The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees as set out in Schedule 10 of the Corporate Governance Plan. The Company has not yet developed specific measurable objectives in relation to the diversity policy. It is the Board's intention to develop measurable objectives at a time when the size of the Company and its activities warrants such a structure.

There were no women on the board or in senior executive positions during the year ended 30 June 2024. Ms Fatou Gueye was appointed a director on 6 August 2024.

Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Board has adopted a policy of arranging a performance evaluation of the Board, its committees and individual Directors on an annual basis as set out in Schedule 6 of the Corporate Governance Plan.

The board has conducted internal reviews of directors' performance on a periodic basis throughout the year.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and*
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Board has adopted a policy of arranging a performance evaluation of senior executives on an annual basis as set out in Schedule 6 of the Corporate Governance Plan.

This was not applicable to the Company during the period, as the Company had no senior executives who were not also Executive Directors.

Principle 2: Structure the Board to Add Value

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:*
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director,*
and disclose:
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Company believes it is not yet of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search for and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Company shall prepare and maintain a Board Skills matrix setting out the measurable mix of skills and diversity that the Board currently has (or is looking to achieve) to ensure the Board has the skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues. The Company's board skills matrix is available on its website.

Recommendation 2.3

A listed entity should disclose

- (a) the names of the directors considered by the board to be independent directors;*
- (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, or relationship in question and an explanation of why the board is of that opinion; and*
- (c) the length of service of each director.*

Per Schedule 1 of the Corporate Governance Plan, an independent Director is a director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole, rather than in the interests of an individual shareholder or other party.

The board considers its Non-Executive Chairman Mr Stewart, former Non-Executive Director Mr Murray (until his resignation on 19 January 2024) and Non-Executive Director Mr Flint (from his appointment on 3 April 2024) to be Independent Directors, based on the definition of what constitutes independence, as outlined above. In addition, Ms Fatou Gueye was appointed a Non-Executive Director on 6 August 2024 and is also considered to be an Independent Director.

The length of service of each Director has been disclosed in its Annual Report.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors

Per Schedule 1 of the Corporate Governance Plan, where practical, the Company shall ensure that the majority of the Board should be comprised of non-executive Directors who can challenge management and hold them to account as well as represent the best interests of the Company and its shareholders as a whole rather than those of individual shareholder or interest groups. Where practical, at least 50% of the Board should be independent.

For the period to 16 January 2024 the independent director component of the Board was 50%. A number of Board changes occurred between January and April 2024 in conjunction with the acquisition of CDI Resources Limited with the independent director component of the Board remaining 50%. As a result of further Board changes in August 2024 the Board now comprises a majority of independent directors with Mr Stewart, Mr Flint and Ms Gueye being considered independent directors and Mr Ross (Managing Director) not considered an independent director.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Per Schedule 1 of the Corporate Governance Plan, where practical, the Chairman of the Board should be a non-executive Director. If the Chairman of the Board ceases to be an independent Director then the Board will consider appointing a lead independent Director.

Per Schedule 1 of the Corporate Governance Plan, where practical, the Chief Executive Officer/Managing Director should not be the Chairman of the Board of the Company during his term as Chief Executive Officer/Managing Director or in the future.

The Company's Independent Chairman, Mr Stewart is not the CEO and does not act as CEO. Mr Stuart was the Managing Director until 31 March 2024 and Mr Ross is the current Managing Director (from 1 April 2024).

Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Per Schedule 1 of the Corporate Governance Plan, all new Directors will be offered induction training, tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities effectively and to add value. This will include:

1. having interviews with key senior executives to gain an understanding of the Company's structure, business operations, history, culture and key risks, and conducting site visits of key operations;
2. training on legal duties and responsibilities as a Director under the key legislation governing the Company and the ASX Listing Rules (including ASX's continuous and periodic reporting requirements); and
3. training on accounting matters and on the responsibilities of Directors in relation to the Company's financial statements.

Per Schedule 1 of the Corporate Governance Plan, the Company shall procure appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively and to deal with new and emerging business and governance issues.

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

Recommendation 3.1

A listed entity should articulate and disclose its values.

The Company is committed to complying with the highest standards of corporate governance to ensure that all of its business activities are conducted fairly, honestly and with integrity in compliance with all applicable laws. The Company ensures a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

The Company's values are set out in its Code of Conduct (set out in Schedule 2 of the Corporate Governance Plan) to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

Recommendation 3.2

A listed entity should:

- (a) have and disclose a code of conduct for its Directors, senior executives and employees; and*
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.*

The Company's Code of Conduct applies to the Company's Directors, senior executives and employees.

Material breaches of the Code of Conduct must be reported to the Board or a committee of the Board.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

Employees should note that breaches of certain sections of this Code of Conduct may also be punishable under legislation.

Recommendation 3.3

A listed entity should:

- (a) have and disclose a whistleblower policy; and*
- (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.*

The Company's Whistleblower Protection Policy (set out in Schedule 11 of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.

Recommendation 3.4

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and*
- (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.*

The Company's Anti-Bribery and Anti-Corruption Policy (set out in Schedule 12 of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.

Principle 4: Safeguard the Integrity of Corporate Reports

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:*
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose;*
 - (3) the charter of the committee;*
 - (4) the relevant qualifications and experience of the members of the committee; and*
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company believes it is not currently of the size to justify having an Audit and Risk Management Committee. Per Schedule 1 of the Corporate Governance Plan, where the Board does not consider that the Company will benefit from a particular separate committee:

- i. the Board must carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee; and
- ii. the Company must disclose in, or in conjunction with, its Annual Report:
 - a. the fact a committee has not been established; or
 - b. if an audit and risk committee has not been established, the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Per Schedule 3 of the Corporate Governance Plan, the Company shall ensure that, before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and Chief Financial Officer (or, if none, the person(s) fulfilling those functions) have declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company has a process whereby relevant reports are generated by the company secretary, reviewed by the Managing Director and approved by the Board before release on the ASX platform.

Principle 5: Make Timely and Balanced Disclosure

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price of value or the Company's securities, the Company must immediately disclose that information to the ASX.

The Board has adopted a Disclosure Policy on information disclosure and relevant procedures set out in Schedule 7 of the Corporate Governance Plan.

The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

Recommendation 5.2

A listed entity should ensure that its board received copies of all material market announcements promptly after they have been made.

Under the Company's Continuous Disclosure Policy (set out in Schedule 7 of the Corporate Governance Plan), all members of the Board will receive copies of all material market announcements promptly after they have been made.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Under the Company's Continuous Disclosure Policy (set out in Schedule 7 of the Corporate Governance Plan), any new and substantive investor or analyst presentation will be released on the ASX Market Announcements Platform ahead of the presentation. Where practicable, the Company should consider providing shareholders the opportunity to participate in such presentations.

Principle 6: Respect the Rights of Security Holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Per Schedule 13 of the Corporate Governance Plan, the Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

1. the Annual Report delivered by post or via email (if requested by the shareholder) and which is also released to ASX and placed on the Company's website;
2. the half yearly report, which is released to ASX and also placed on the Company's website;
3. the quarterly reports, which are released to ASX and also placed on the Company's website;
4. disclosures and announcements made to the ASX, copies of which are placed on the Company's website;
5. notices and explanatory statements of Annual General Meetings (AGM) and General Meetings (GM), copies of which are released to ASX and placed on the Company's website;
6. the Chairman of the Board's address and the Managing Director's address made at the AGMs and the GMs, copies of which are released to ASX and placed on the Company's website;
7. the Company's website, on which the Company posts all announcements which it makes to the ASX, as well as materials distributed at investor or analyst presentations; and
8. the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates two-way communication with investors.

The Company is currently not of a sufficient size and does not have sufficient human resources to implement such a program and relies on its Company Secretary, Managing Director and Share Registry to perform this role. The Company has also engaged external service providers to assist with public relations and communication with investors.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Per Schedule 13 of the Corporate Governance Plan, shareholders are encouraged to participate at all GMs and AGMs of the Company. Upon the despatch of any notice of meeting to shareholders, the Company Secretary shall send out material with that notice of meeting stating that all shareholders are encouraged to participate at the meeting. The Company will ensure that appropriate technology is used to facilitate the participation of shareholders at such meetings and that meetings will be held at a reasonable time and place. Shareholders who are unable to attend meetings may ask questions or provide comments ahead of meetings.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

All substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Per Schedule 13 of the Corporate Governance Plan, as part of the Company's developing investor relations program, shareholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Principle 7: Recognise and Manage Risk

Recommendation 7.1

The board of a listed entity should:

- (a) *have a committee or committees to oversee risk, each of which:*
- (1) *has at least three members, a majority of whom are independent directors; and*
 - (2) *is chaired by an independent director,*
and disclose:
 - (3) *the charter of the committee;*
 - (4) *the members of the committee; and*
 - (5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company believes it is not currently of the size to justify having an Audit and Risk Management Committee. Schedule 8 of the Corporate Governance Plan sets out the Company's approach to risk recognition and management. In the absence of a separate Audit and Risk Management Committee, the full Board has assumed the responsibilities of such a committee and identifies and manages risks accordingly.

Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

Per Schedule 3 of the Corporate Governance Plan, the Company's Audit and Risk Management Committee (and in the absence of such committee, the full Board) shall review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and to determine whether there have been any changes in the material business risks the Company faces and to ensure that they remain within the risk appetite set by the Board.

Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

Schedule 3 of the Corporate Governance Plan requires the Audit and Risk Management Committee (and in the absence of such committee, the full Board) to monitor and periodically review the need for an internal audit function. The Company believes it is not currently of the size to justify having an internal audit function.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.

The Company believes that it currently does not have any material exposure to environmental and social risks, although it remains aware of and continues to monitor its potential exposure to such risks.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director,*and disclose,
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company believes it is not of a size to justify having a Remuneration Committee. The Company has a Remuneration Committee Charter at Schedule 4 of its Corporate Governance Plan, which is currently observed by the Company's board of directors.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company provides disclosure of the policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives in the Annual Report and as otherwise required by law.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) disclose that policy or a summary of it.*

The Company does not currently have an equity-based remuneration scheme. If the Company introduces any equity-based remuneration scheme, participants will not be permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme unless specifically approved by the Board. The Company has an Employee Incentive Plan which allows equity to be issued to eligible employees and key contractors on an ad hoc basis.