

QUARTERLY REPORT 31 January 2025

Quarterly Activities Report – Quarter ended 31 December 2024

OPERATIONS

- Maiden drilling program confirmed the potential for the King Kong prospect on the Adzope gold project in southern Côte d'Ivoire to host a significant high-grade gold system
- Reconnaissance diamond drilling program comprising **nine holes for 1,714.4m** tested gold targets along a northeast-southwest **+3.0km** anomalous corridor defined by a coincident geophysical and gold-in-soil anomaly
 - **Multiple high-grade results** 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
 - All holes intersected gold mineralisation using a cutoff of 0.5g/t gold
- Interpreted high-grade gold corridor comprising multiple parallel structures trends northeast-southwest over a strike length of **at least 3.0km** based upon drilling, artisanal pits, ground geophysics and soil sampling
- Previous soil sampling, grab sampling and ground geophysics programs identified a significant **northeast-southwest coincident gold anomaly** with peak gold values from sampling including **3.55g/t gold, 1.61g/t gold and 1.24g/t gold**
- Peak gold values returned from grab samples in artisanal pits include **8.40g/t gold, 6.94g/t gold and 3.06g/t gold**
- Planned exploration to include further diamond drill-testing of the King Kong gold system on the Adzope gold project and aircore drill-testing of the Tiogo and Kakologo prospects in the northern area of the Tengrela South project.

CORPORATE

- Non-Executive Director Patrick Flint appointed Chairman, following Mark Stewart's resignation.

Desert Metals Limited (Desert Metals, DM1, or the Company) is pleased to report on its activities for the December 2024 Quarter.

CÔTE D'IVOIRE PROJECTS

Desert Metals project locations in Cote d'Ivoire, regional geology and major projects are shown in **Figure 1** below.

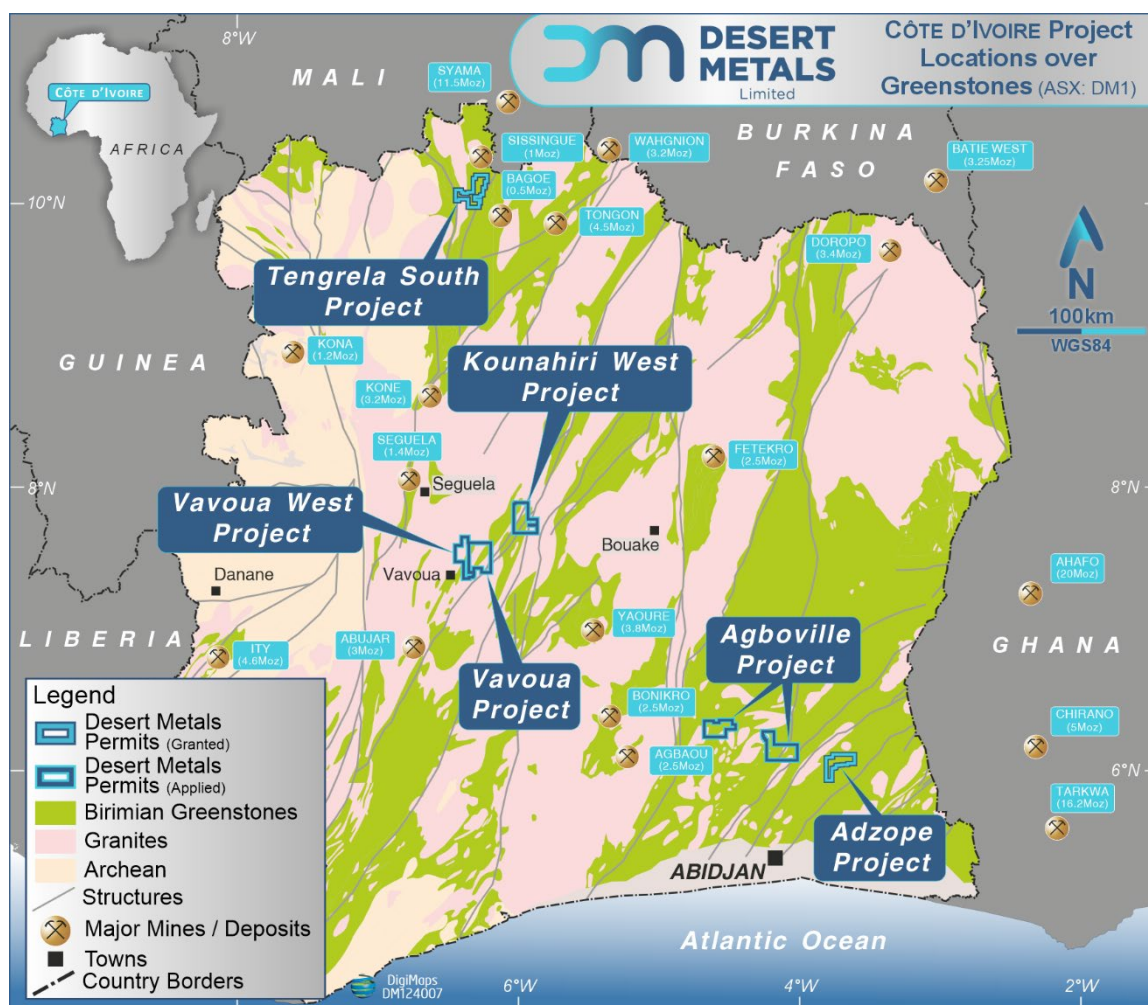


Figure 1: Desert Metals project locations and Côte d'Ivoire Geology

Adzope Gold Project, Côte d'Ivoire - Maiden drilling program at King Kong returns 17m at 7.5g/t gold

During the December 2024 quarter Desert Metals completed a maiden, reconnaissance diamond drilling program at the flagship Adzope gold project, Desert Metals **drilled nine diamond drillholes** ranging in length from **132m to 336m** for a total of **1,714.4m** over a strike length of **+3.0km**. See Figure 2.

The drilling was designed to test:

- i) coincidental chargeable geophysical and gold-in-soil anomalies; and
- ii) interpreted zones of gold mineralisation mined by artisanal workers.

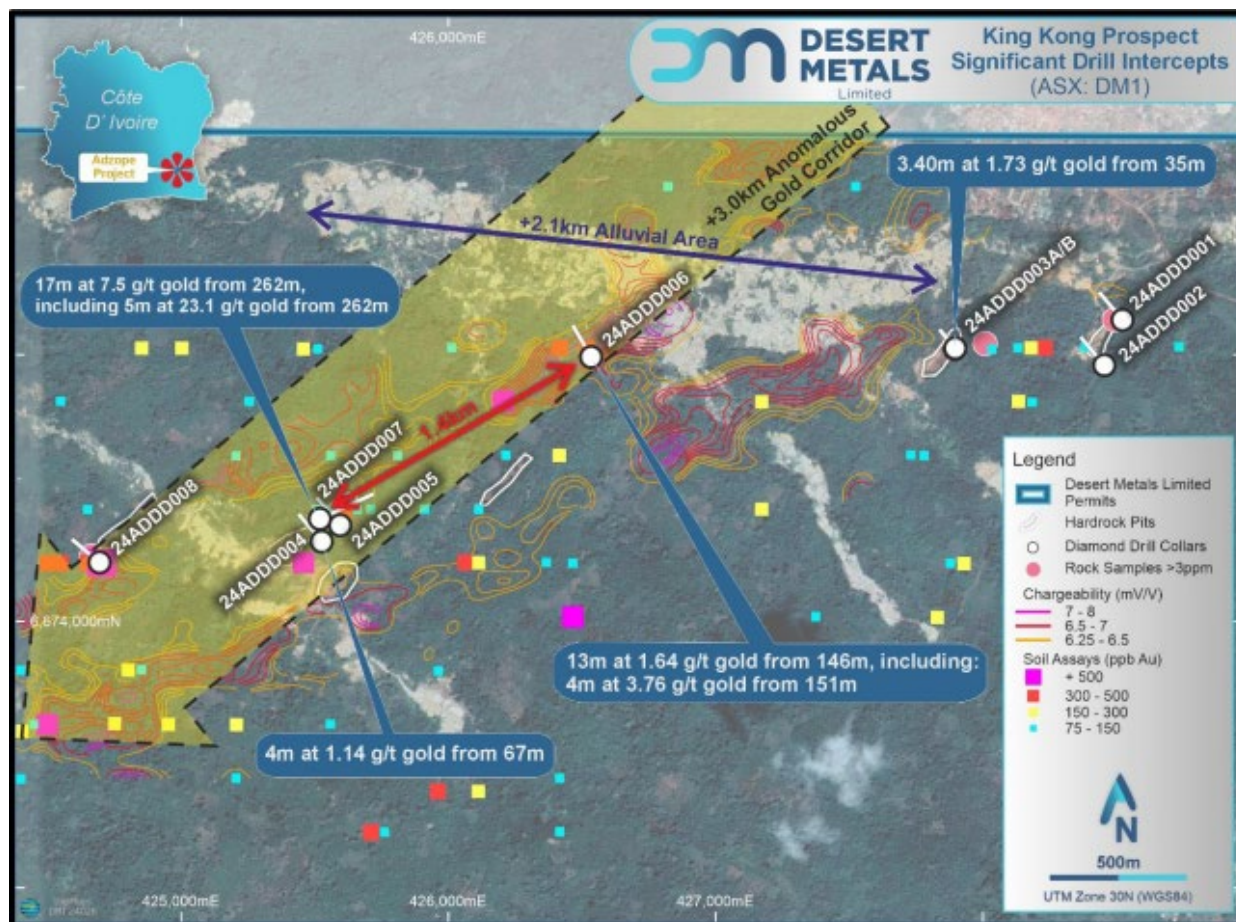


Figure 2: King Kong Diamond Drilling Plan

This is the first time these areas have ever been drill-tested. This maiden drilling program at the King Kong prospect returned multiple high-grade results, including intersecting ore-grade gold mineralisation in holes **24ADDD006** and **24ADDD007**, which are situated **1.4km apart** on the same interpreted structure (see ASX Announcement 10 December 2024).

These intercepts have **confirmed for the first time that significant gold mineralisation** occurs at Adzope where sulphide minerals, alteration, and quartz veining exist within the northeast-southwest structures. See Figure 3, showing visible gold in hole 24ADDD007.

A **+3.0km chargeable zone with coincidental gold-in-soil anomalism** hosts the two holes that yielded the best results (holes 006 and 007). Hole 004 in a similar location was drilled much shallower and at 90° to the discovery hole, also yielding a significant gold intersection. Drilling also tested, via single reconnaissance holes, a series of pits trending southwest from an area of extensive alluvial gold workings known as “the Beach” in the northeast corner of the Adzope gold permit (holes 001, 002, 003 and 008).

Results to date indicate there is a strong correlation between mineralisation, chargeability, and gold-in-soil anomalies, which will help with targeting future drilling programs. This **+3.0km zone**, plus the **+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**.



Figure 3: Hole 24ADDD007 7 252.72m to 279.56m including visible gold

Adzope Gold Project Exploration Program 2025

Exploration programs for the +3.0km-long gold anomalous corridor are currently being planned. These programs will include dipole-dipole ground geophysics to better resolve the mineralised lodes in 3D in the 1.4km between holes 24ADDD006 and 24ADDD007, auger drilling and further diamond drilling. In addition, gradient array IP surveys will be conducted along strike from King Kong to the southwest to track the continuity of the mineralisation. A program of regional stream sediment sampling will also be undertaken across the entire permit.

Soil sampling and ground geophysics identify +2.4km gold anomaly at King Kong prospect

Desert Metals completed **1,005 soil samples** over **13km²** in the first phase of a two-phase soil sampling program around the Beach area of the King Kong prospect. Samples were spaced 50m apart on 200m-spaced east-west lines in the general vicinity of both hard rock and alluvial artisanal gold mining activity around the Beach area. Significant gold results were recorded over a **2.4km length** (see Table 2, ASX Announcement 28 November 2024). In addition, grab sampling of the artisanal pits and surrounding areas at both the King Kong prospect and the Beach area returned **8.40/t gold**, **6.94g/t gold** and **3.06g/t gold** (see Table 1, ASX Announcement 28 November 2024). These results were used to guide the location of a number of drillholes in the recently completed diamond drill program.

Desert Metals also recently completed a ground geophysics survey of Gradient Array Induced Polarisation (**GAIP**) and ground magnetics (**GMAG**) over **55.45-line kilometres** covering an area of **5.5km²** over the Beach area. The survey was conducted on 100m-spaced north-south oriented lines, with readings taken every 25m. The GAIP and GMAG survey defined a distinct chargeable zone over a **+2.4km length** that coincides directly with the **+2.4km long** in situ gold anomalism.

Chargeable zones indicate sulphides that could host gold mineralisation. This +2.4km long coincident anomaly sits on the northeast-southwest structural trend that dominates this Birimian greenstone belt, which hosts significant gold mineralisation further north in Ghana.

Tengrela South Gold and Lithium Project PR-683 (DM1 51%, earning 80%)

At Tengrela South, Desert Metals is targeting gold mineralisation within the previously identified north-south gold corridor. The gold corridor comprises north-south structures that typically host gold mineralisation in this Birimian gold belt.

In July 2024 Desert Metals completed a soil sampling program at the Tiogo and Kakologo prospects in the northern area of the Tengrela South project. A total of 1,646 soil samples were collected over 18km² to test the historical, wide-spaced, gold-in-soil auger anomaly previously defined at Tiogo and Kakologo, and to define areas for drill testing.

The soil sampling results returned two distinct, parallel, north-south +100ppb gold anomalies; being the 3.6km western Tiogo anomaly and the 2.1km eastern Kakologo anomaly. These +3km and +2km parallel gold corridors highlight the north-south structures that typically host gold mineralisation in this Birimian gold belt. Soil sampling returned 16 high-grade results over 1.0g/t (1,000ppb) gold with peak soil assays of 32.7g/t gold, 12.6g/t gold and 7.84g/t gold.

Desert Metals plans to drill up to 100 aircore holes for a planned +3,500m across the Tiogo and Kakologo prospects in the first half of 2025.

WEST AUSTRALIAN (WA) PROJECTS

During the December 2024 Quarter, Desert Metals continued actively looking for joint venture partners for its WA assets. Tenements will be relinquished to avoid ongoing maintenance costs where the Company is unable to secure joint venture funding.

CORPORATE

Board Changes

On 26 November 2024 Desert Metals Non-Executive Director Patrick Flint was appointed as Chairman, following the resignation of Mark Stewart.

Mr Flint is a qualified accountant and a member of the Australian Institute of Company Directors. He has been involved in the resources sector for 25 years as a director or Company Secretary of ASX and Toronto Stock Exchange-listed companies with mineral projects in Australia, Africa, and Asia.

ASX Additional Information

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$367,000. Full details of exploration activity during the Quarter are set out in this report.
2. **ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the Quarter.
3. **ASX Listing Rule 5.3.5:** A total of \$103,234 was paid to related parties during the quarter comprising Director fees. During the quarter, \$20,244 was paid to Corporate Consultants Pty Ltd, a company in which director Mr. Flint is a director and has a beneficial interest, for accounting, secretarial and corporate service fees. During the quarter, \$6,900 was paid to Oxford Capital Partners International Pty Ltd, a company in which director Mr. Ross is a director and has a beneficial interest, for office space and supporting office equipment.

This Announcement has been approved for release by the Board of Desert Metals Limited.

For further information contact:

Stephen Ross
Managing Director
Desert Metals Limited

P +61 8 9383 9997
E stephen.ross@desertmetals.com.au

Kristin Rowe
Investor Relations
NWR Communications

P +61 0404 889 896
E kristin@nwrcommunications.com.au

About Desert Metals Limited

Desert Metals Limited is an ASX-listed (ASX:DM1) mineral exploration and development company. DM1 has the right to earn a majority interest under low-cost joint venture arrangements in seven gold and lithium projects covering 2,769km² of granted mineral permits and permit applications in Côte d'Ivoire, West Africa. DM1 currently owns 51% of the Tengrela South project 30km south of the operating Sissingue gold mine and is earning 80% of the highly prospective Adzope gold project. DM1 also has a variety of nickel, copper, and base metal-focused projects in the Narryer Terrane of the northwest Yilgarn Craton and, high-grade Rare Earth Elements (REEs) and Platinum Group Elements (PGEs) at its Innouendy Project in Western Australia.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Stephen Ross, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ross has a minimum of five years' experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves. Mr Ross is a related party of the Company, being a Director, and holds securities in the Company. Mr Ross has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

References to previous ASX releases

The information in this report that relates to exploration results were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves in market releases dated as follows:

10/12/2024	Gold discovery at Adzope Project returns 17m at 7.5g/t gold
28/11/2024	Adzope Exploration Update
21/10/2024	Commences diamond drilling at the Adzope gold project
28/08/2024	Multiple high-grade gold assays returned from Tengrela South
29/07/2024	Significant gold anomalies identified at Tengrela South
05/07/2024	Commences RC drilling at Podio prospect, Tengrela South
04/07/2024	Key gold permit granted at Adzope in Cote d'Ivoire
09/04/2024	Drilling identifies new gold structure at Tengrela South

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions underpinning the exploration results contained in those market releases continue to apply and have not materially changed.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which DM1 operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside DM1's control. DM1 does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement.

To the maximum extent permitted by law, none of DM1, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by DM1. Nor does this announcement constitute investment or financial product advice (nor tax, accounting, or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

Annexure 1 – Schedule of Tenements

In accordance with listing rule 5.3.3, the table below shows the interest in tenements held by the Company at the end of the Quarter.

Western Australian Tenements					
Tenement ID	Name	Type	Status	Ownership	Holder
E52/3650	Breakaway	Exploration	Granted	100%	Desert Metals Limited
E52/3665	Errabiddy	Exploration	Granted	100%	Desert Metals Limited
E52/3741	Mt Gould	Exploration	Granted	100%	Desert Metals Limited
E51/1907	Belele	Exploration	Granted	100%	Desert Metals Limited
E51/2162	Erivilla	Exploration	Granted	100%	Desert Metals Limited
E51/2083	Erivilla	Exploration	Pending	100%	Desert Metals Limited
E51/2163	Erivilla	Exploration	Pending	100%	Desert Metals Limited
P51/2993	Nanine	Prospecting	Granted	60%	Desert Metals Limited
E51/1981	Meekatharra	Exploration	Granted	60%	Desert Metals Limited
E51/2037	Murrouli Range	Exploration	Granted	60%	Desert Metals Limited
E51/2048	Yoothapina (Mt Opal)	Exploration	Granted	60%	Desert Metals Limited

In accordance with listing rule 5.3.3, the table below shows the interest in Western Australian tenements disposed / relinquished during the quarter

Western Australian Tenements					
Tenement ID	Name	Type	Status	Ownership	Holder
E09/2303	Irrida Hill	Exploration	Granted	100%	Desert Metals Limited
E09/2330	Innouendy	Exploration	Granted	100%	Desert Metals Limited
E09/2331	Opal Bore	Exploration	Granted	100%	Desert Metals Limited
E09/2351	Irrida East	Exploration	Granted	100%	Desert Metals Limited

Annexure 1 – Schedule of Tenements

Côte d'Ivoire Tenements *					
Tenement ID	Name	Type	Status	Ownership	Holder
PR-683	Tengrela South	Exploration	Granted	51% Earning up to 80%	Smart Mineral Exploration Côte d'Ivoire SARL
PR-960	Adzope	Exploration	Granted	Earning up to 80%	African Resources SARL
0713DMICM04/27/2022	Kounahiri West	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
PR-454	Vavoua	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
0544DMICM31/03/2022	Vavoua West	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
0155DMICM25/01/23 0170DMICM26/01/23	Agboville	Exploration	Application	Earning up to 85%	Ivoire Lithium Resources SARL

* 100% owned subsidiary CDI Minerals Pty Ltd is earning an interest in all Côte d'Ivoire licenses through various joint venture agreements with the holder of the licenses. See **ASX Announcement 4 December 2023** for earn-in agreement details.

In accordance with listing rule 5.3.3, the table below shows the interest in Côte d'Ivoire tenements disposed / relinquished during the quarter

Côte d'Ivoire Tenements*					
Tenement ID	Name	Type	Status	Ownership	Holder
PR-455	Kounahiri	Exploration	Renewal	Earning up to 80%	Generale Des Mines Et Carrieres SARL

* 100% owned subsidiary CDI Minerals Pty Ltd withdrew from the Kounahiri joint venture during the Quarter

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Desert Metals Limited

ABN

84 617 947 172

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(286)	(490)
(e) administration and corporate costs	(124)	(312)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received - GST	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other –	-	-
1.9 Net cash from / (used in) operating activities	(395)	(762)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(74)	(74)
(b) tenements	-	-
(c) property, plant and equipment	(1)	(5)
(d) exploration & evaluation	(367)	(904)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Cash acquired on acquisition of subsidiary	74	74
2.5	Other – Security Deposit	(14)	(14)
2.6	Net cash from / (used in) investing activities	(382)	(923)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,758	2,668
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(395)	(762)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(382)	(923)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	2	-
4.6	Cash and cash equivalents at end of period	983	983

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	983	1,758
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	983	1,758

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(395)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(367)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(762)
8.4 Cash and cash equivalents at quarter end (item 4.6)	983
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	983
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.29
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company is finalising its exploration plans and funding requirements for 2025 following completion of initial sampling, geophysics and drilling programs at the Adzope Gold Project. The Company expects to raise further funds in H1 2025. The Company has a track record of raising equity capital to meet its requirements.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it will be able to raise further cash when required as indicated in (2) above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.