

ASX RELEASE
6 December 2023

Desert Metals receives firm commitments of \$3.75m for oversubscribed capital raising to support Côte d'Ivoire gold and lithium acquisition

HIGHLIGHTS

- **Desert Metals Limited (Desert Metals or the Company)** has received commitments of **\$3.75 million** through a heavily over-subscribed, with bids over \$6 million, conditional share placement ("**Placement**")
- The Placement is to sophisticated and professional investors at \$0.0325 (3.25c) per share to raise **\$3.75 million** (before costs) to fund acquisition and **exploration activities over the next 12 months**
- **CPS Capital Group Pty Ltd (CPS Capital)** appointed as Lead Manager, Broker and Corporate Advisor to Desert Metals
- The Placement provides Desert Metals with a strong financial position to fund drilling and exploration in Côte d'Ivoire and, continue exploration on the Western Australian portfolio

Desert Metals Limited (ACN 617 947 172) (**ASX: DM1**) is pleased to announce it has received commitments for a placement of shares and attaching options to raise **\$3,750,000** (subject to shareholder approval) ("**Placement**") to fund drilling and exploration in Côte d'Ivoire and to continue exploration on the Western Australian portfolio.

The Placement was heavily oversubscribed, with bids over \$6 million received, and has been strongly supported by sophisticated investors, especially from existing shareholders of acquisition target CDI Resources Limited.

Share Placement

Desert Metals has received firm commitments for a conditional securities placement to raise **\$3.75 million** via the issue of approximately 115.4 million fully paid ordinary shares at an issue price of \$0.0325 per share (3.25 cents) (**Placement Shares**) to sophisticated and professional investors of CPS Capital (**Placement**). Investors in the Placement will receive one (1) free-attaching option for every two (2) shares issued, exercisable at a price of \$0.06 (6 cents) on or before 31 December 2025 (**Placement Options**). The issue price of the Placement Shares represents a 16.7% discount to the last traded price of DM1 shares of \$0.039 (3.9 cents) and a 18.7% discount to the 10-day VWAP of \$0.04 (4 cents).

The Placement, comprising of ~115.4 million Placement Shares and 57.7 million Placement Options, will be issued subject to shareholder approval at an extraordinary general meeting of the Company (**EGM**) to be convened to approve the acquisition of **Côte d'Ivoire gold and lithium explorer CDI Resources Limited (CDI)** (See ASX Announcement 4 December 2023 "**Desert Metals to acquire gold and lithium projects in Côte d'Ivoire**"; "**the Acquisition**") and related items of business.

The Placement Shares will rank equally with DM1's existing shares. It is anticipated funds raised from the Placement will be applied toward expenditure on the Company's existing projects, expenditure on the CDI projects, working capital and corporate administration as set out in further detail below.

12-month budget of \$3.75 million for Western Australia and Côte d'Ivoire exploration

Based on the Company raising \$3,750,000 under the Placement, this will increase the Company's cash position to approximately \$4,250,000 at the completion of the Acquisition (after deducting costs of the acquisition and Placement including broker and legal fees of approximately \$250,000). It is proposed that the Company's existing cash (together with funds raised under the Placement) will be applied in the next 12 months as follows:

Item	Amount
Estimated DM1 and CDI cash at completion	\$500,000
Placement	\$3,750,000
Total	\$4,250,000
Estimated costs of the Proposed Acquisition and Placement	\$250,000
Expenditure on the Existing Assets	\$1,500,000
Expenditure on the CDI Projects	\$2,000,000
Working capital and corporate administration	\$500,000
Total	\$4,250,000

CPS Capital Group Pty Ltd has been appointed as lead manager to the Placement and will be paid a capital raising fee equal to 6% of the funds raised under the Placement and will be issued 7,500,000 options exercisable at \$0.06 each with a three-year term (subject to shareholder approval at the EGM).

Next steps

Shareholders are not required to take any action at this time. A notice of meeting convening the EGM to approve the Acquisition will be distributed in due course in accordance with the indicative timetable set out below.

Proposed timetable

The proposed timetable in respect of the Acquisition and Placement is as follows:

Event	Date
ASX announcement of the Acquisition and Placement	4 December 2023
Dispatch Notice of Meeting for EGM	15 December 2023
EGM to approve Acquisition and Placement resolutions	17 January 2024
Completion of Acquisition and Issue Placement Shares and Placement Options	24 January 2024

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

About Desert Metals Limited

Desert Metals Limited is an ASX-listed (ASX:DM1) mineral exploration and development company. DM1 has a portfolio of nickel and copper and base metal focused projects located in the northwest of the Yilgarn Craton of Western Australia. The Company's recent exploration at its Innouendy Project has highlighted the potential for high-grade Rare Earth Elements (REEs) and Platinum Group Elements (PGEs).

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.

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