

DESOTO WELCOMES CORNERSTONE BATTERY METALS INVESTOR

The Board of **DeSoto Resources Limited (ASX:DES or 'Company')** warmly welcomes Mr. Huaiguo Shen, via his private investment vehicle Hugh Business Enterprises Limited, to the Desoto register, with his cornerstone investment of \$3.54 million in the recently completed Initial Public Offering (IPO), representing 19.9% of DES shares on issue.

Mr Shen is the Founder of Jiangxi Chilith Science and Technology Co. (Jiangxi Chilith Co), a private high-tech enterprise founded in 2015 that manufactures cathode materials for lithium-ion batteries and is expected to list on the Beijing Stock Exchange in 2024. Products currently supplied include lithium manganese oxide and lithium iron phosphate.

Formally the manager of the China National Chemical Import and Export Corporation and the head of the Beijing Representative Office of Chile Chemical Mining Corporation (NYSE: SQM), Mr Shen has more than 20 years of experience working in the lithium resource trade, including long term relationships with SQM, Guangzhou Great Power Energy and Ganfeng Lithium Co.,Ltd.

The Company thanks Mr Shen for his investment and looks forward to working with him closely as we explore our battery metal-focused projects and other opportunities.

ABOUT JIANGXI CHILITH CO

Jiangxi Chilith Science & Technology Co., LTD, is a private high-tech enterprise founded in 2015, with registered capital of 256.5 million yuan. The Company manufactures cathode materials for lithium-ion batteries with numerous high profile customer in the lithium-ion battery industrial chain, SQM, Guangzhou Great Power Energy and Ganfeng Lithium Co.,Ltd.

The company's main products include LFP, LMO, LCO and other lithium-ion battery cathode materials mainly used in the manufacture of power batteries, energy storage batteries and other lithium-ion batteries but ultimately used in new energy vehicles and energy storage fields.

In September 2021, the company signed a contract for the project of 100,000 tonnes of LFP in Yushui District, Xinyu City (China), with a total investment of 2 billion yuan and an area of about 26,667m². The project is planned to be constructed in three phases. The feasibility study of the first phase of the 25,000 tons capacity expansion project has been completed. Civil works for the project have been started and are expected to be completed by the end of the year.

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This announcement is authorised for release by the Board of DeSoto Resources:

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COMPETENT PERSONS STATEMENT

The exploration results reported herein are based on information compiled by Ms Bianca Manzi. Ms Manzi is an employee of the company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Manzi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

COMPLIANCE STATEMENT

DeSoto advises that it is not aware of any new information or data that materially affects the previous exploration results or mineral resource estimate contained in this announcement and all material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.