

ASX RELEASE
5 July 2024

Desert Metals commences RC drilling at Podio prospect, Tengrela South, Côte d'Ivoire

- Desert Metals has commenced reverse circulation drilling at the Podio prospect. **13 RC holes for 1,650m** are planned
- Drilling is designed to follow up and extend high-grade intercepts achieved by Perseus Mining Limited (ASX: PRU) from the southern area of previously defined gold mineralisation at Podio
- Desert Metals has completed soil sampling at the Tiogo prospect in the northern area of the Tengrela South gold permit in northern Côte d'Ivoire, with **1,646 samples collected over 18km²**
- Tiogo samples submitted for gold analysis at Intertek in Côte d'Ivoire with results expected in July 2024

Desert Metals Limited (Desert Metals, DM1, or the Company) is pleased to announce it has commenced reverse circulation (RC) drilling at the Podio prospect in the central southern area of the Tengrela South project.

The program will comprise **thirteen RC holes** ranging in length from **50m to 220m** for a total program of **1,650m**. The drill program has been designed to follow up and extend high-grade intercepts achieved by Perseus Mining (ASX: PRU) from the southern area of the previously defined **Podio** gold mineralisation. Drilling is expected to take between 2 and 3 weeks to complete, subject to the onset of the wet season.

Desert Metals has also completed soil sampling at the **Tiogo prospect** in the northern area of the Tengrela South permit, with **1,646 soil samples** taken over an area of **18km²**. Soil sampling was undertaken to test the historical, wide-spaced, gold-in-soil auger anomaly previously defined at Tiogo, and to define areas for drill testing (see Figure 1). Samples have been submitted to Intertek in Côte d'Ivoire for gold analysis with a cut-off of 5ppb. First results are expected during July 2024.

Desert Metals Managing Director Stephen Ross said:

"We are pleased with the progress of our continuing exploration programs at the Tengrela South project. RC drilling has commenced at the Podio gold target, where historical drilling by Perseus Mining Limited identified high-grade gold mineralisation. This upcoming drilling campaign will follow-up and potentially extend this gold mineralisation at both the central-northern and southern ends of Podio.

Soil sampling has now been completed at the priority Tiogo target in the northern portion of the license, and all samples are now at Intertek in Côte d'Ivoire for assaying. Desert Metals expects results from the recent Tiogo soil sampling in the next few weeks."

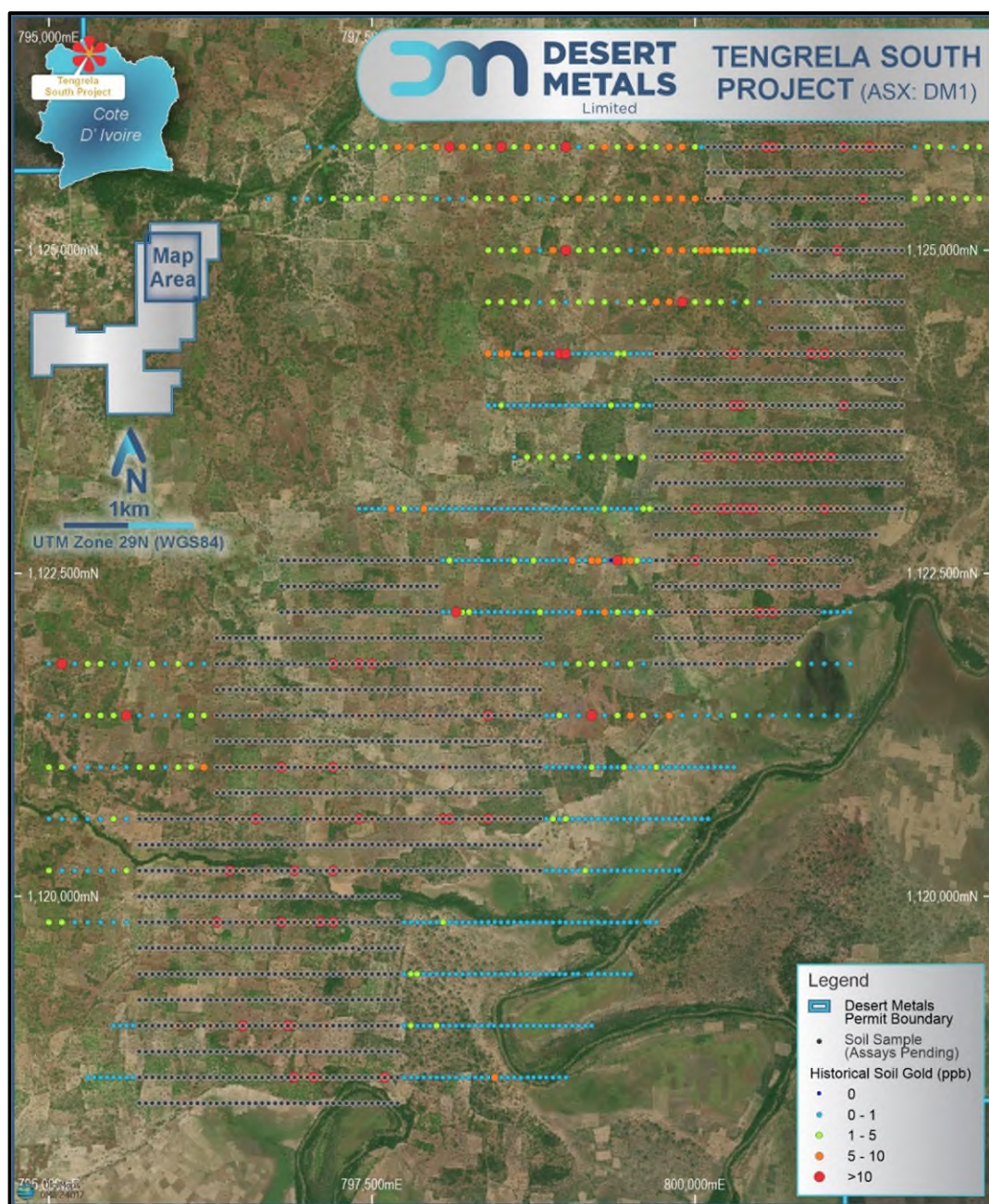


Figure 1 – Location plan Tiogo soil sampling

Desert Metals is now undertaking RC drilling to follow-up and extend the high-priority Podio gold target. Historical drilling undertaken by Perseus Mining Limited (**See DM1 ASX Announcement dated 4 December 2023**) previously identified high-grade gold mineralisation in the central-north zone and southern ends of Podio, and extensions of this mineralisation have not been followed up.

The current drill program aims to –

1. Expand the width of mineralisation in the southern higher-grade zones encountered in drillholes PLC057 and PLC058.

2. Increase the strike length of the higher-grade zones in the central-north of Podio to follow-up the significant intercepts from drillholes PL048, PDD004, PLC099 and PLC165.
3. Extend the end-of-hole mineralisation intersected in RAB hole PDB009 to be incorporated into a future potential Mineral Resources calculation compliant with the JORC Code.
4. Provide enough drill hole density for a potential JORC Mineral Resource for Podio.

In the southern part of the Podio prospect, **six holes for 710m** will be completed over two lines to intercept the strong mineralisation encountered in historical drillholes PLC057 and PLC058. Further north in the central zone of Podio, **seven drill holes for 830m** across three lines will be undertaken to follow up on the intercepts from drillholes PL048, PDD004, PLC099, and PLC165.

See Schedule 1 – Cautionary Statement on Historical Exploration Results, including the source and date of previous exploration results.

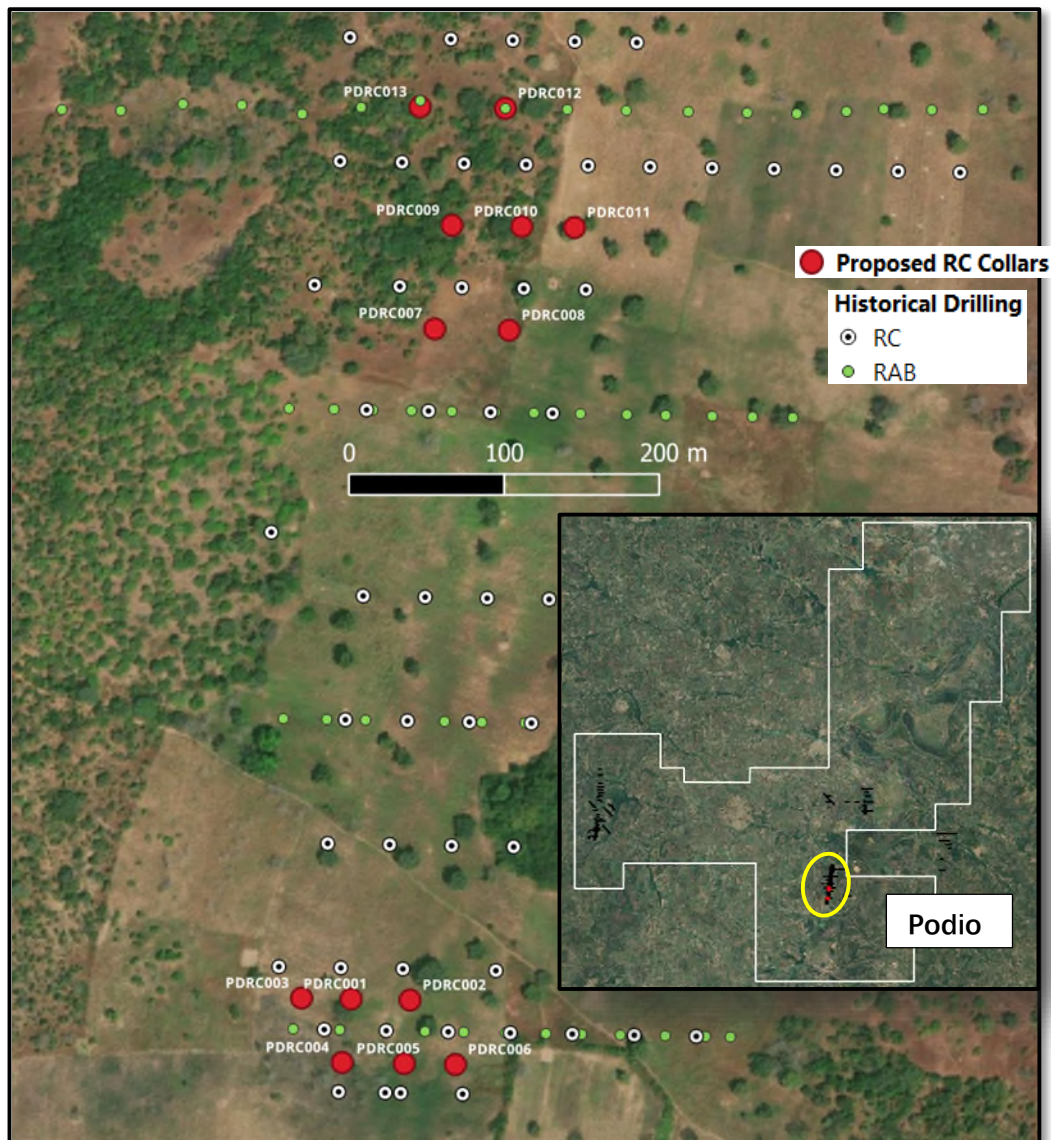


Figure 2 – Location plan for Podio RC drilling



Figure 3 – Drilling at Podio

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

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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 lead Tengrela South project 30km south of the operating Sissingue gold mine and is earning 80% in the 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.

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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SCHEDULE 1 - Cautionary Statement for Historical Exploration Results

The historical geochemical sampling, including LAG sampling and soil sampling, that defined the 5 main prospects at Tengrela South, and as shown in Figure 2, was conducted in various programs between 1998 and 2010 by previous owners Randgold Resources Limited, Occidental Gold SARL and Perseus Mining Limited. Desert Metals is in possession of an extensive geochemical database of over 24,000 samples that were taken during this period. This database specifies line spacing, sample spacing, sample size, screen size, assay technique and quality control measures, and this work is described in the technical report entitled "Technical Report – Tengrela Gold Project, Côte d'Ivoire" dated 22 December 2010 (available online at: <https://secure.kaiserresearch.com/i/jk/tr16/TRPRU20101222.pdf>).

Nothing has come to the attention of Desert Metals that causes the Company to question the accuracy or reliability of the former owner's Exploration Results; but Desert Metals has not independently validated the former owner's soil sampling results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Drilling results (Exploration Results) from Podio and Logbog presented in this announcement have been reported previously by the former owner of the Tengrela South project, ASX-listed Perseus Mining Limited. The source and date of the results are shown in the table of ASX announcements below.

The Exploration Results reported in 2010, 2011 and 2012 by Perseus Mining Limited were reported under the 2004 JORC Code. A summary of the work programs completed and a table of significant intercepts is included in the announcements listed in the table below.

As a result, the reported Exploration Results -

- Have not been reported in accordance with the JORC Code 2012 and may not conform with the JORC Code 2012.
- A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012.
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012.
- Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- The Company has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Desert Metals Limited intends to undertake further infill and extensional RC drilling at Podio, Logbog and other prospects at Tengrela South to confirm the tenor and continuity of gold mineralisation intersected by Perseus Mining Limited and other previous explorers. A significant portion of the 2024 budget is allocated to drilling at Podio, Logbog and other targets at Tengrela South.

****ASX Announcements referred to in Tengrela South drilling results for Podio and Logbog***

| Date | Company | Announcement | Prospect |
|-----------------|------------------------|---------------------------------------------------------------------|----------|
| 6 October 2010 | Perseus Mining Limited | West African Exploration Update | Podio |
| 27 March 2011 | Perseus Mining Limited | Exploration Update Côte d'Ivoire | Podio |
| 9 July 2012 | Perseus Mining Limited | Exploration Update Ghana, Côte d'Ivoire | Podio |
| 4 December 2023 | Desert Metals Limited | Desert Metals to acquire gold and lithium projects in Côte d'Ivoire | Podio |

Notes to the results reported in the table of ASX Announcements.

1. All holes are RC holes.
2. The type of analytical or testing utilised and sample size and the quality assurance program and quality control measures are consistent with those described in the technical report entitled "Technical Report – Tengrela Gold Project, Côte d'Ivoire" dated 22 December 2010.
3. Drill samples were assayed by 50g fire assay by ALS Mali SARL (a division of ALS Minerals) in Bamako, Mali.
4. Only exploration holes with combined intercepts of greater than 10 grams metres are included.
5. True widths of intercepts from the exploration holes are currently unknown.