

Quarterly Activities Report – Quarter ended 30 June 2024

- **Adzope Gold Project** exploration licence (PR0960) granted to Desert Metals' JV partner African Ressources SARL. Desert Metals is earning up to an 80% interest in Adzope which is located in southern Côte d'Ivoire
- A **+2km-long** sequence of artisanal gold operations in the northeast of Adzope licence provides an immediate exploration target
- Drilling and sampling program at Adzope expected to commence **September quarter 2024**
- Desert Metals commenced RC drilling at the **Podio prospect** on the Tengrela South gold permit in northern Côte d'Ivoire, with **13 RC holes** for **1,650m** planned. Program is currently nearing completion
- Drilling is designed to follow up and **extend high-grade intercepts** achieved by Perseus Mining (ASX: PRU) from the southern area of previously defined gold mineralisation at Podio
- Soil sampling completed at the **Tiogo and Kakologo prospects** in the northern area of Tengrela South, with **1,646 samples** collected over **18km²**
- Results from the soil sampling program highlighted two distinct, parallel, north-south +100 ppb gold anomalies - the **3.6km western Tiogo anomaly** and the **2.1km long eastern Kakologo anomaly**
- Peak gold values returned from soil sampling include **32.7g/t gold, 12.6g/t gold and 7.84g/t gold** with **16 samples greater than 1g/t gold**

CORPORATE

- Desert Metals is well-funded to continue Côte d'Ivoire exploration with \$2.6m cash at bank 30 June 2024

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

CÔTE D'IVOIRE PROJECTS

Adzope Gold Project, Côte d'Ivoire (DM1 earning 80%)

On 4 July 2024, Desert Metals was pleased to report the granting of the key **Adzope gold project**. The permit was granted to Desert Metals' joint venture partner, Ivorian company African Ressources SARL, which was granted exploration permit PR0960, covering **~230km²**, for an initial period of four years, with the option to extend for up to another eight years. See Figure 1.

Desert Metals will commence a program of channel sampling, soil sampling, and aircore, RC, or diamond drilling at the Adzope Gold Project in the **September 2024 quarter**.

Background

The Adzope gold project is 90km north-northeast of the capital city of Abidjan in the department of Lagunes in southern Côte d'Ivoire, accessible via a well-maintained national highway. Adzope is within the Comoé Basin, consisting of Birimian metasediments with intrusions of granitoids. Gold mineralisation is characterised by hydrothermal veins associated with shear-zones, and three generations of quartz veins have been identified for potential gold mineralisation.

In **March and June 2024**, Desert Metals' geological team conducted reconnaissance visits to the Adzope gold project, with the approval of the district Government mining registrar.

Extensive and broad alluvial gold mineralisation was observed across a **+2.1km² area** in the northeast section of the permit application area. The team observed five artisanal pits exploiting oxidised primary weathered and in-situ gold mineralisation developed on multiple, parallel, steeply-east-dipping and northeast-trending gold-bearing quartz veins approximately **120m wide**.

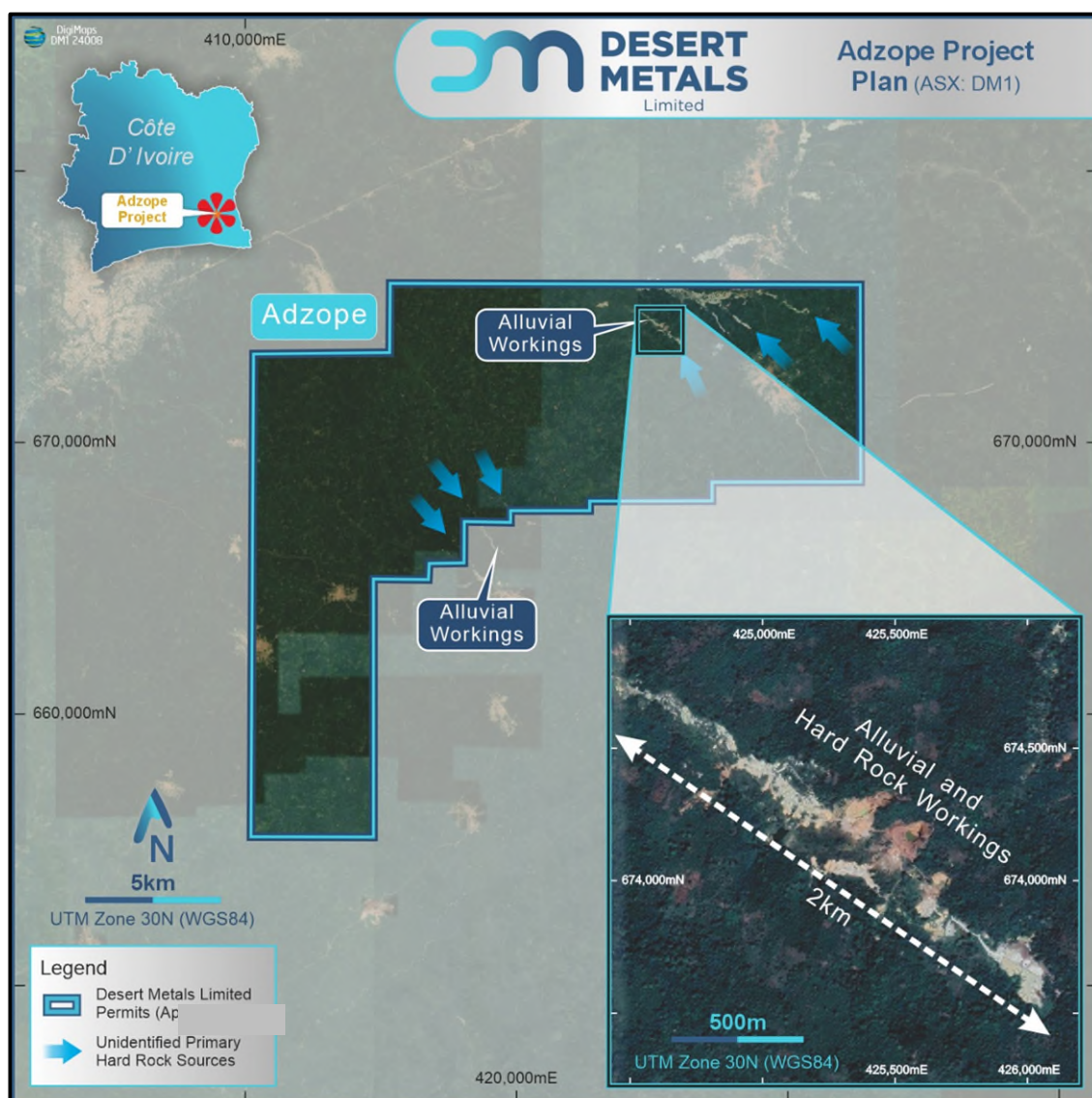


Figure 1: Adzope gold project and artisanal workings

Activities Planned for Adzope

Desert Metals has commenced community consultation in the northeast of the permit in preparation for mapping, channel sampling of the artisanal pits and soil sampling.

Desert Metals will also conduct a program of auger and/or aircore drilling across certain sections of the weathered pits and alluvial plains that are being actively processed for alluvial gold by the artisanal workers to establish the grade and genesis of this extensive gold mineralisation.

Reverse circulation and/or diamond drilling will then be conducted across areas shown to exhibit wide zones of mineralised quartz veins as determined by the mapping, channel sampling and drilling into the weathered material. These exploration activities will be undertaken for the remainder of 2024.

Tengrela South gold and lithium project PR-683 (DM1 51%, earning 80%)

Podio Gold Prospect Tengrela South, Côte d'Ivoire

Desert Metals commenced reverse circulation (RC) drilling at the Podio prospect in the central southern area of the Tengrela South project, as announced on **5 July 2024**.

The program comprises **13 RC holes** ranging in length from 50m to 220m for a total program of **1,650m**. See Figure 2. The drill program has been designed to follow up and **extend high-grade intercepts** achieved by previous explorer Perseus Mining (ASX: PRU) from the southern area of the previously defined Podio gold mineralisation. Completion of the drilling program is expected in August 2024.

The drill program aimed 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, Desert Metals planned **seven drill holes for 830m** across three lines to follow up on the intercepts from drillholes PL048, PDD004, PLC099, and PLC165.

*See Desert Metals' ASX Announcement dated **5 July 2024** for Cautionary Statement on Historical Exploration Results, including the source and date of previous exploration results.*

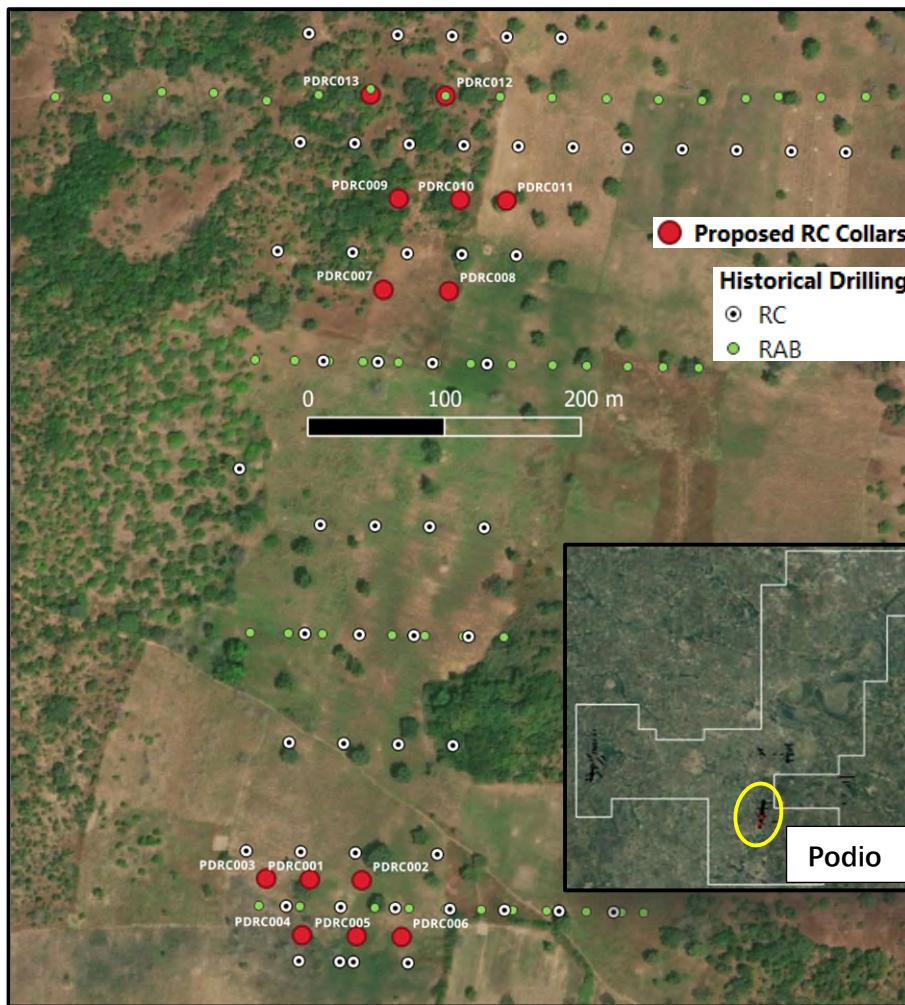


Figure 2 – Location plan for Podio RC drilling

Tiogo and Kakologo Gold Prospect – Tengrela South, Côte d'Ivoire

Subsequent to the end of the June 2024 Quarter on 29 July 2024, Desert Metals announced the results for the soil sampling program completed at the **Tiogo and Kakologo prospects** in the northern area of the Tengrela South gold permit. Desert Metals collected **1,646 soil samples** 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 at Tiogo and Kakologo returned two distinct, parallel, north-south +100 ppb gold anomalies; being the **3.6km western Tiogo anomaly** and the **2.1km long 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 also 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**.

See Figure 3.

Remaining pulp samples from the laboratory are now being assayed by portable X-ray fluorescence (pXRF) to help understand the distribution of gold pathfinder elements, such as arsenic, and the bedrock geology. Following the return of these assays, Desert Metals plans to commence an aircore drilling program across the priority targets.

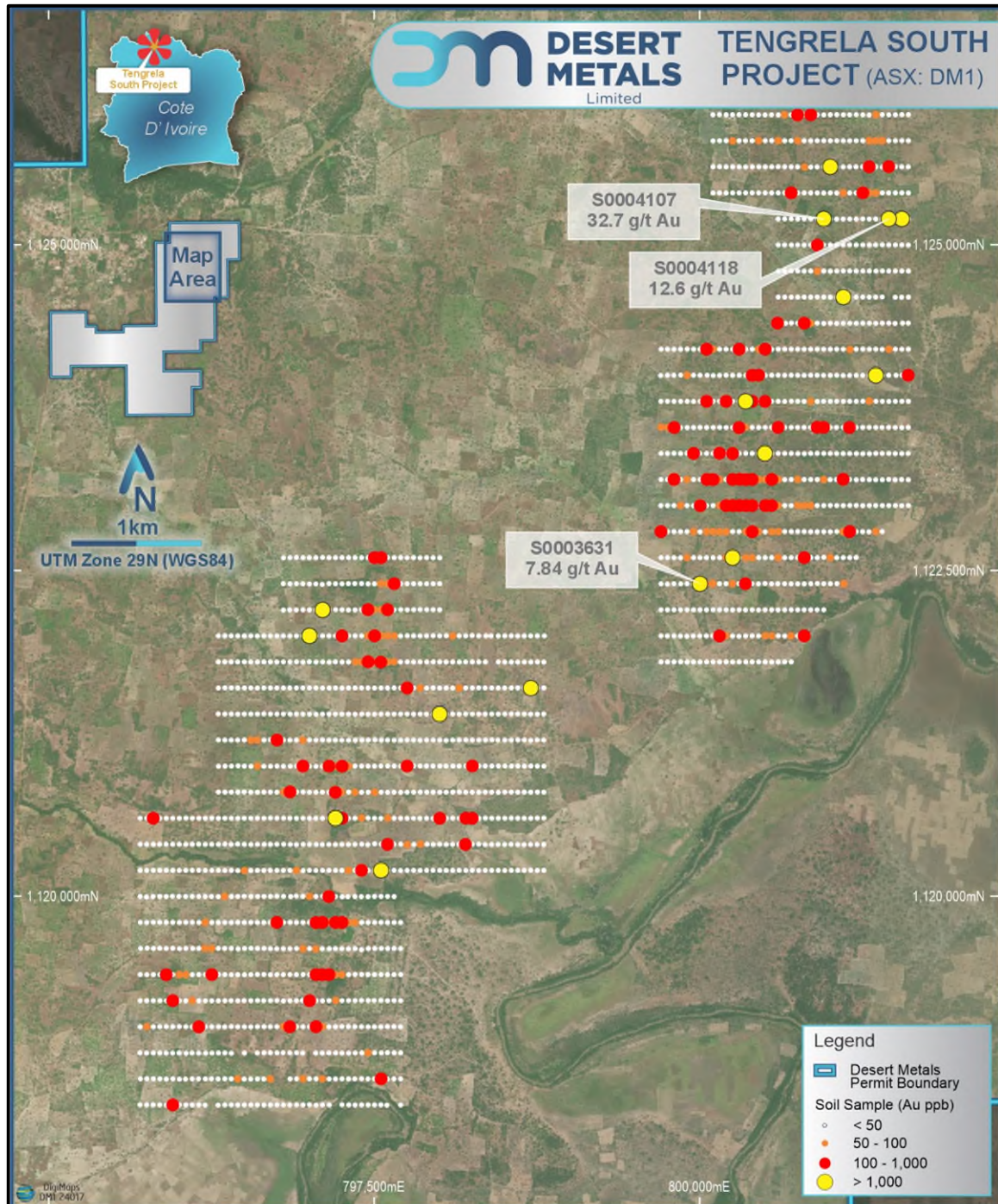


Figure 3- Tiogo and Kakologo soil sampling results

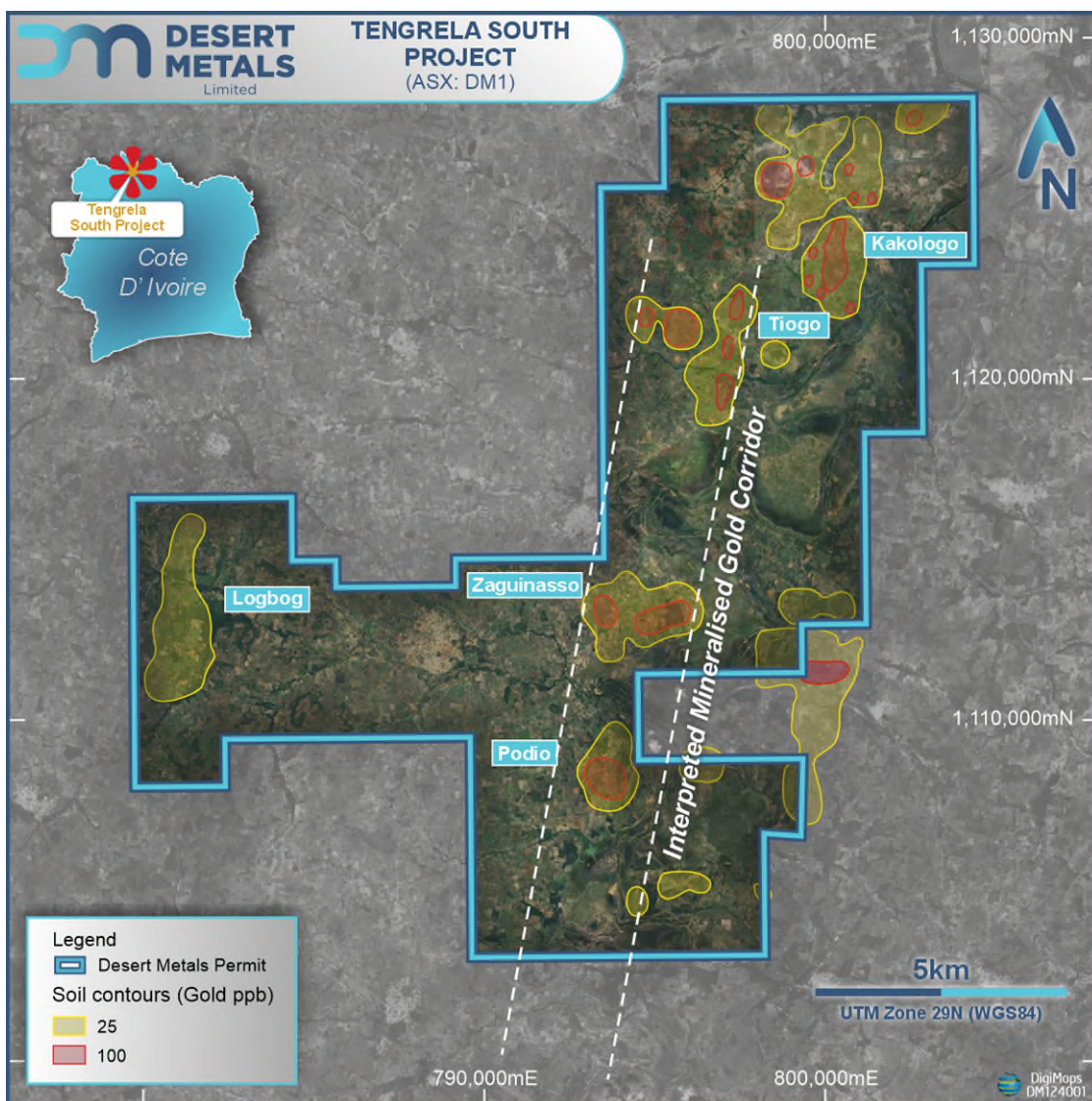


Figure 4 – Tiogo and Podio gold corridor at Tengrela South

WEST AUSTRALIAN (WA) PROJECTS

During the June 2024 Quarter Desert Metals conducted a strategic review of all its Western Australian assets taking into account previous expenditures, exploration potential, discovery costs, holding costs, native title requirements and commodity sentiment, among other items. The Desert Metals WA portfolio was assessed alongside its Côte d'Ivoire projects, and a ranking exercise was undertaken for budget allocation purposes.

This strategic review concluded that the exploration potential versus expenditure delivered a much higher likelihood of discovering an economic mineral deposit in Côte d'Ivoire, particularly when focusing on gold discoveries. As a result, Desert Metals will actively look for joint venture partners or divestment of its WA assets.

Little Gap Well and Mt Opal copper-gold project (DM1 60%, earning 80%). After interpretation of the ground electromagnetic (EM) survey undertaken over the Little Gap Well line of copper-gold workings during the December 2023 quarter, a small drill program was designed to test an EM anomaly that highlights the structure that potentially hosts copper-gold mineralisation. A Program of Work (POW) permit has been received to drill at both Little Gap Well and Mt Opal. However, drilling will only commence once the heritage surveys for the project are completed.

At the **Belele gold project** rehabilitation of all previous tracks and drill pads of the 2023 aircore drilling program was completed during the June 2024 Quarter.

The strategic review of the Little Gap Well, Mt Opal, and Belele gold projects determined that their exploration potential for a stand-alone mine is limited. An Information Memorandum has been completed for the Little Gap Well and Mt Opal copper-gold project, which will allow interested parties to assess the project and its drill-ready targets. Belele is an early-stage exploration project and will be marketed to companies operating in the region.

Dingo Pass REE Project (DM1 100%). At Dingo Pass rehabilitation of all previous tracks and drill pads was completed during the June 2024 Quarter. This included rehabilitation of all the 2022 RC and diamond drilling and the 2023 rare earth element aircore drilling. More detailed ground EM surveys will be required to confirm and better define previously outlined airborne EM targets before any follow-up drilling can be planned.

For both the Dingo Pass and Innouendy REE projects, the next stages of exploration have been re-evaluated due to the downturn in international REE prices and the metallurgical challenges associated with clay-hosted REE projects of a much larger scale. It was concluded that these projects would have value to more advanced and specialist REE companies. Information Memorandums have been prepared for potential buyers, or investment by possible joint venture partners.

Payment to Related Parties

The Company advises that payments to related parties of \$194,000 included Directors' fees, consulting fees for geophysical and geological interpretation and accounting, secretarial and corporate service fees.

Summary of Exploration Expenditure

In accordance with ASX listing Rule 5.3.5 the Company advises that the cash outflows on its mining exploration activities reported in 2.1 (d) of its Appendix 5B for the June 2024 quarter are as follows: Exploration: \$521,000.

CORPORATE

Investor Relations

During the quarter, Desert Metals Managing Director Stephen Ross attended and presented at 121 Mining Investment conference in London.

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 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.

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.

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
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
P51/2953	Norie/Little Gap Well	Prospecting	Granted	60%	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

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 Ressources SARL
PR-455	Kounahiri	Exploration	Renewal	Earning up to 80%	Generale Des Mines Et Carrieres 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.

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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(163)	(312)
(e) administration and corporate costs	(142)	(673)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received - GST	64	220
1.7 Government grants and tax incentives	-	-
1.8 Other – Due diligence and legal expenses re CDI Resources Ltd Acquisition	(61)	(158)
1.9 Net cash from / (used in) operating activities	(268)	(881)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(56)
(c) property, plant and equipment	(5)	(5)
(d) exploration & evaluation	(521)	(2,171)
(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 (12 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	15	15
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Cash acquired re CDI Resources Ltd Acquisition	-	335
2.6	Net cash from / (used in) investing activities	(511)	(1,882)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,750
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(286)
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	-	3,465
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,450	1,969
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(268)	(881)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(511)	(1,882)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,465

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,671	2,671

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	2,671	3,450
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)	2,671	3,450

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	143
6.2	Aggregate amount of payments to related parties and their associates included in item 2	51

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)	(268)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(521)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(789)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,671
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,671
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.38
<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: N/A.	
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: N/A	
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: N/A.	
<i>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.</i>	

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 July 2024

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.