

22 August 2025

LODGEMENT OF PROSPECTUS FOR DESERT MINERALS LIMITED AND PRIORITY OFFER TO LOYAL SHAREHOLDERS

Loyal Metals Limited (ASX: LLM) ("Loyal" or the "Company") is pleased to advise that the prospectus for the initial public offering (IPO) of shares in Desert Minerals Limited (Desert) was lodged with ASIC.

Upon completion of the IPO, Desert will hold:

- a 51% interest in the Scotty Lithium Project in Nevada, USA; and
- an 80% interest in the Mt Monger North and South Gold Projects in Western Australia.

The IPO seeks to raise \$5,000,000 (before costs) through the issue of 25,000,000 shares at \$0.20 per share. In addition, 1,000,000 shares will be issued to Loyal Metals, bringing Desert's total capital structure on listing to 26,000,000 shares. Based on the IPO issue price, Desert will have an indicative market capitalisation of \$5.2 million, equating to an Enterprise Value of approximately \$200,000 at listing.

As part of the IPO, a priority offer of up to 5,000,000 shares has been reserved exclusively for Eligible Loyal shareholders registered on the record date of 25 August 2025. The priority offer closes on 11 September 2025, with the balance of the IPO closing on 25 September 2025.

Upon completion of the IPO and ASX admission (proposed ASX code: DSM), Desert will be a separately listed company dedicated to the advancement of the Scotty Lithium and Mt Monger Projects. This will allow Loyal to sharpen its focus on the Highway Reward Copper-Gold Project and its lithium portfolio, while providing Desert with the management and funding necessary to unlock value from its projects.

The Desert prospectus contains full details of the offers, including the terms of the priority offer. Eligible Loyal shareholders are encouraged to read the prospectus carefully in deciding whether to participate.

A copy of the Desert prospectus is available on Desert's website (www.desertminerals.com.au). Anyone wishing to acquire shares under the IPO must complete the application form that accompanies the prospectus.

This announcement has been authorised for release by Loyal Metal's Board of Directors.

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About Loyal Metals

Loyal Metals Limited (ASX: LLM) is a well-structured listed resource exploration company with projects in Tier 1 North American and Australian mining jurisdictions. Through the systematic exploration of its projects, the Company aims to delineate JORC compliant resources, creating value for its shareholders.

Statement pursuant to section 734(6) of the Corporations Act (2001) (Cth)

The issuer of the shares under the IPO is Desert Minerals Limited. The prospectus for the IPO is available on Desert's website (www.desertminerals.com.au). Offers of shares will be made in, or accompanied by, a copy of the prospectus. A person should consider the prospectus in deciding whether to acquire the shares. Anyone who wants to acquire the shares will need to complete the application form that will be in or will accompany the prospectus.