

## Quarterly Activities Report – Quarter ended 31 March 2025

### OPERATIONS

- Desert Metals commenced an **82-hole, 4,474m aircore drilling program at the Tengrela South gold permit**, in northern Côte d'Ivoire
- Drilling is targeting previously untested gold anomalies at the **Kakologo** and **Tiogo** prospects, located within a regional north-south gold corridor
- A **27.5 line kilometre dipole-dipole** geophysical survey completed at Adzope's **King Kong** prospect, mapping a **+3km gold corridor** to support follow-up drill targeting
- **12,000m auger drill program** ongoing at **King Kong**, designed to further define and refine drill targets along the gold corridor
- **Diamond drilling** at Adzope is scheduled to **commence in May 2025**, following the integration of auger and geophysics results
- **Assay results** from the aircore, auger, and upcoming diamond drilling programs are expected throughout May 2025 and into Q3 2025
- Desert Metals divests greenfields joint venture rights over Vavoua, Vavoua West and Kounahiri West Projects to **focus on its Tengrela South and Adzope projects**

### CORPORATE

- Desert Metals completed a **\$3.25 million placement** to institutional and professional investors, including **\$84,625 committed by DM1 Directors**, to accelerate exploration activities across its Côte d'Ivoire gold projects

**Desert Metals Limited (Desert Metals, DM1, or the Company)** is pleased to report on its exploration and corporate activities for the March 2025 Quarter.

### CÔTE D'IVOIRE PROJECTS

#### Tengrela South Gold Project – Drilling commenced

At Tengrela South, Desert Metals is targeting gold mineralisation within the previously identified north-south gold corridor. The gold corridor comprises north-south structures that typically host gold mineralisation in this Birimian gold belt

During the quarter, DM1 advanced exploration at the Tengrela South Gold Project in northern Côte d'Ivoire, commencing an **82-hole, 4,474 m air-core drilling program**. The program was designed to test high-tenor gold-in-soil anomalies identified in 2024 at the **Kakologo** and **Tiogo** prospects, which lie within a regional north-south gold corridor, approximately 30 kilometres from and on strike with Perseus Mining's (ASX: PRU) Sissingué gold mine. The program was completed in late April and assay results are expected during May 2025.

Drilling at **Kakologo**, located in the northeastern corner of the permit, included **55 air-core drill holes for 2,823m** over eight lines. At the **Tiogo** prospect to the south, **27 air-core drill holes for 1,651m** across four lines have been completed. Both prospects represent previously undrilled targets.

These targets were defined in a detailed soil sampling campaign completed in mid-2024, which returned two distinct, parallel gold-in-soil trends. The western Tiogo anomaly extends over **3.6 kilometres**, while the eastern Kakologo anomaly spans **2.1 kilometres**. The soil sampling returned 16 high-grade results exceeding 1.0g/t gold, with peak assays including **32.7g/t, 12.6g/t, and 7.84g/t gold**. These anomalies coincide with north-south structural trends typical of gold-hosting systems in this Birimian gold belt (Figure 1).

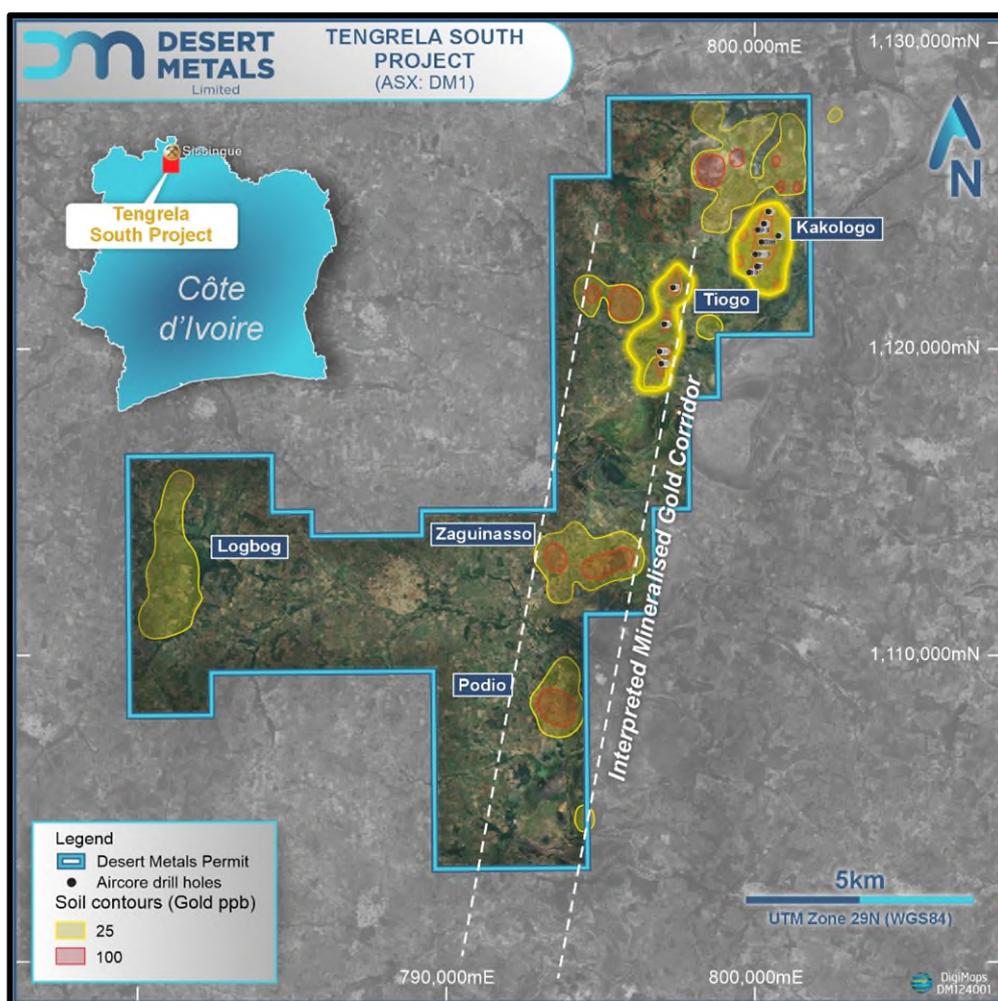


Figure 1 – Kakologo and Tiogo prospects showing gold anomalism and drill hole locations

The aircore program was designed to drill the weathered oxide zone and terminate upon intersecting fresh rock, with an average depth of approximately 40 metres. All drill samples have been submitted to Intertek Ghana for gold analysis using the Chryso<sup>TM</sup> PhotonAssay technique.

### **Adzope Gold Project - Drill hole targeting continues at King Kong**

At the **Adzope Gold Project** in southern Côte d'Ivoire, DM1 advanced exploration at the lead **King Kong** prospect in the northeast of the permit continued throughout the Quarter with a dipole-dipole induced polarisation (DDIP) ground geophysics program and extensive auger drill sampling. The King Kong prospect is interpreted as a high-grade gold corridor comprising multiple parallel structures trending northeast-southwest over a strike length of at least 3.0km based on artisanal pits, ground geophysics, soil sampling and reconnaissance drilling.

The Company's initial drilling at King Kong intersected multiple high-grade zones (*see DM1 ASX Announcement 10 December 2024*) including:

- **17m at 7.5g/t gold** in hole 24ADDD007
- **13m at 1.64g/t gold** in hole 24ADDD006

In preparation for a follow-up drilling campaign, the Company has completed a 27.5-line kilometre dipole-dipole induced polarisation (DDIP) ground geophysics program over the +3km northeast-southwest gold corridor. The survey was designed to define chargeable zones interpreted to represent sulphide-rich structures that could host gold mineralisation. Processing of this geophysical data is now underway.

DM1 also commenced a staged auger drilling campaign at King Kong, consisting of **850 holes for approximately 12,000m**. The auger program is designed to test the broader **+3km-long** mineralised trend, and to further delineate the correlation between mineralisation, chargeability, and gold-in-soil anomalism. The first two stages of the auger program have recently been completed. See Figure 2.

Results from the processing of the DDIP data and completed stages of the auger program are expected in the first half of May 2025 and will be integrated with previous soils, ground geophysics and drilling data to refine and rank drill targets ahead of the next phase of diamond drilling scheduled to commence before the end of May 2025.

This next phase of drilling is expected to test newly defined high-priority targets and expand upon the mineralisation intersected in the 2024 campaign.

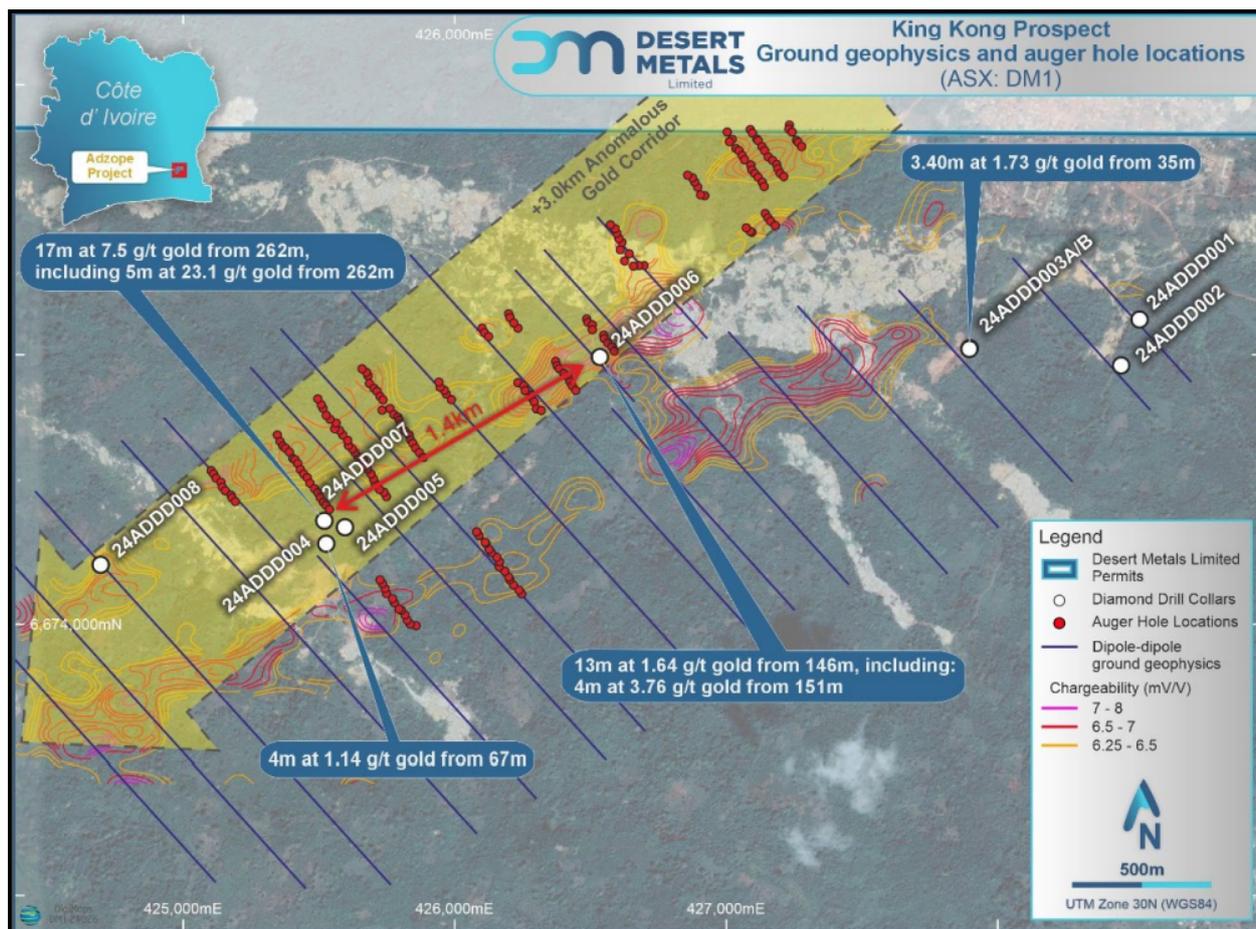


Figure 2 – King Kong gold corridor showing dipole-dipole ground geophysics lines & auger hole locations

### Vavoua, Vavoua West and Kounahiri West Projects - Desert Metals divests greenfields joint venture rights

During the quarter, Desert Metals announced the divestment of its joint venture rights over three exploration stage gold projects in central Côte d'Ivoire to **MetalsGrove Mining Limited (ASX: MGA)** to allow Desert Metals to focus on exploration at its flagship Adzope and Tengrela South Gold Projects (see *DM1 ASX Announcement 31 March 2025*).

The **Vavoua, Vavoua West and Kounahiri West** projects were previously held under joint venture agreements with Generale Des Mines Et Carrieres SARL, an Ivorian company. All three permits are in application status and had not been subject to modern mineral exploration.

Desert Metals assigned the joint venture rights to MetalsGrove for the following consideration:

1. A\$50,000 cash upon the grant of the Vavoua licence;
2. A\$50,000 cash upon the grant of either the Vavoua West or Kounahiri West licence (whichever is granted first);
3. A\$1 million cash on the estimation of a JORC-compliant Mineral Resource of greater than 500,000 ounces of gold (or gold equivalent) and a grade of greater than 1 g/t gold (or gold equivalent) on any or all of the Projects (maximum amount payable of A\$3 million); Subject to the mutual agreement of the parties and compliance with ASX Listing Rules, settlement may be by the issue of MGA shares; and
4. 1% net smelter royalty regarding production from the Projects capped at the greater of A\$3 million or the royalty amount in respect of the first 125,000 ounces of gold production.

## WEST AUSTRALIAN (WA) PROJECTS

During the March 2025 Quarter, Desert Metals continued actively looking for joint venture partners for its WA assets. Tenements are being relinquished to avoid ongoing maintenance costs where the Company is unable to secure joint venture funding.

## CORPORATE

### \$3.25M Placement completed

In February 2025, DM1 received firm commitments via a Placement to sophisticated and professional investors to raise **\$3.25 million** (before costs) through the issue of 166,666,667 fully paid ordinary shares at an issue price of \$0.0195 per share.

The Placement received strong support from both new and existing shareholders and included a total **\$84,625 commitment from the Desert Metals Directors**.

Tranche 1 of the Placement was completed in February 2025, and Tranche 2 was completed post-quarter-end on 16 April 2025, following shareholder approval at a general meeting .

DM1 is using proceeds from the placement to fund ongoing exploration activities at DM1's projects in Côte d'Ivoire, including the diamond drilling program, geophysics and auger sampling at the **Adzope Gold Project**, and the aircore drilling program at the **Tengrela South Project**.

## ASX Additional Information

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$493,000. Full details of exploration activity during the Quarter are set out in this report.
2. **ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the Quarter.
3. **ASX Listing Rule 5.3.5:** A total of \$103,729 was paid to related parties during the quarter comprising Director fees. During the quarter, \$40,830 was paid to Corporate Consultants Pty Ltd, a company in which director Mr. Flint is a director and has a beneficial interest, for accounting, secretarial and corporate service fees. During the quarter, \$7,132 was paid to Oxford Capital Partners International Pty Ltd, a company in which director Mr. Ross is a director and has a beneficial interest, for office space and supporting office equipment

**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) gold exploration and development company. DM1 has the right to earn a majority interest under low-cost joint venture arrangements in three gold projects covering 1,074km<sup>2</sup> 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 Sissingué gold mine and is earning 80% of the highly prospective Adzope gold project in the south of the country.

### 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.

### References to previous ASX releases

The information in this report that relates to exploration results were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves in market releases dated as follows:

- 10/12/2024 Gold discovery at Adzope Project returns 17m at 7.5g/t gold
- 28/11/2024 Adzope Exploration Update
- 29/07/2024 Significant gold anomalies identified at Tengrela South

The company confirms that it is unaware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions underpinning the exploration results contained in those market releases continue to apply and have not materially changed.

### 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 at the end of the Quarter.

Western Australian Tenements					
Tenement ID	Name	Type	Status	Ownership	Holder
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
E51/2083	Erivilla	Exploration	Granted	100%	Desert Metals Limited
E51/2163	Erivilla	Exploration	Granted	100%	Desert Metals Limited

In accordance with listing rule 5.3.3, the table below shows the interest in Western Australian tenements disposed/relinquished during the Quarter.

Western Australian Tenements					
Tenement ID	Name	Type	Status	Ownership	Holder
E52/3650	Breakaway	Exploration	Granted	Nil	Desert Metals Limited
E51/2162	Erivilla	Exploration	Granted	Nil	Desert Metals Limited
P51/2993	Nanine	Prospecting	Granted	Nil	Desert Metals Limited
E51/1981	Meekatharra	Exploration	Granted	Nil	Desert Metals Limited
E51/2037	Murrouli Range	Exploration	Granted	Nil	Desert Metals Limited
E51/2048	Yoothapina (Mt Opal)	Exploration	Granted	Nil	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 Resources 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.

In accordance with listing rule 5.3.3, the table below shows the interest in Côte d'Ivoire tenements disposed/relinquished during the Quarter.

Côte d'Ivoire Tenements *					
Tenement ID	Name	Type	Status	Ownership	Holder
0713DMICM04/27/2022 <sup>1</sup>	Kounahiri West	Exploration	Application	Nil	Generale Des Mines Et Carrieres SARL
PR-454 <sup>1</sup>	Vavoua	Exploration	Application	Nil	Generale Des Mines Et Carrieres SARL
0544DMICM31/03/2022 <sup>1</sup>	Vavoua West	Exploration	Application	Nil	Generale Des Mines Et Carrieres SARL

▪ Divested joint venture rights over the projects to MetalsGrove Mining Limited (ASX: MGA) (see DM1 ASX Announcement 31 March 2025).

## 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")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(240)	(730)
(e) administration and corporate costs	(202)	(514)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received - GST	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other –	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(433)</b>	<b>(1,195)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	(74)
(b) tenements	-	-
(c) property, plant and equipment	(1)	(6)
(d) exploration & evaluation	(493)	(1,397)
(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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	23	23
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Cash acquired on acquisition of subsidiary	-	74
2.5	Other – Security Deposits received / (paid) and other fees	38	24
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(433)</b>	<b>(1,356)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,139	1,139
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(73)	(73)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,066</b>	<b>1,066</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	983	2,668
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(433)	(1,195)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(433)	(1,356)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,066	1,066
4.5	Effect of movement in exchange rates on cash held	2	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,185</b>	<b>1,185</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,185	983
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,185</b>	<b>983</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	152
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(433)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(493)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(926)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,185
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,185
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.28
<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: Yes.	
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: In February 2025, the Company received firm commitments via a Placement to sophisticated and professional investors to raise \$3.25 million (before costs). Tranche 1 of the Placement was completed in February 2025 (\$1.139 million), and Tranche 2 was completed post-quarter-end on 16 April 2025 raising \$2.111 million.	

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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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: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it has raised further funds as noted in (2) above.

*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.*

## 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: 30 April 2025

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.