

ASX RELEASE  
22 January 2024

## DM1 completes acquisition of Côte d'Ivoire gold and lithium projects \$3.75m placement completed; drilling in progress at Tengrela South

### HIGHLIGHTS

- **Desert Metals Limited (Desert Metals, DM1 or the Company)** has completed the acquisition of 100% of the issued capital of Côte d'Ivoire gold and lithium explorer **CDI Resources Limited (CDI)**
- CDI holds interests in **seven gold and lithium projects covering 2,769km<sup>2</sup>** of granted mineral permits and permit applications in Côte d'Ivoire
- **Aircore drilling is underway** at the lead Tengrela South project 30km south and along strike of the operating Sissingué gold mine and 10km north of the Atex lithium discovery
- **Adzope gold licence application approved** by Côte d'Ivoire's Interministerial Commission for Mines; final Presidential approval expected Q1 2024
- CDI Resources' Stephen Ross joins Desert Metals' Board as a non-executive Director and Manager of DM1's Ivorian projects
- Mr. Ross will attend Indaba mining conference in South Africa before supervising operations in Côte d'Ivoire during February and March 2024
- **Oversubscribed \$3.75m placement** by CPS Capital Group Pty Ltd is now complete, allowing DM1 to fund drilling and exploration in Côte d'Ivoire and continue exploration on its Western Australian assets

**Desert Metals Limited** (ACN 617 947 172) (**ASX:DM1**) is pleased to announce it has settled and completed the acquisition of 100% of the issued capital of Côte d'Ivoire mineral explorer **CDI Resources Limited (CDI)** (the **Acquisition**), as reported in the Company's ASX Announcement 4 December 2023.

DM1 has also completed an **oversubscribed \$3.75 million share and option placement** to fund drilling and exploration in Côte d'Ivoire and continued exploration on its Western Australia assets.

In consideration for the Acquisition, DM1 issued 75,000,000 fully paid ordinary shares to CDI shareholders.

#### **Desert Metals Managing Director Robert Stuart said:**

*"DM1 is extremely pleased to have completed the acquisition of CDI Resources, with its impressive portfolio of highly prospective gold and lithium projects in Côte d'Ivoire including, in particular, the Tengrela South project located within 30km of Sissingué gold mine and 10km of the Atex lithium discovery. A 3,300m aircore drilling program is underway at Tengrela South and we look forward to the first round of results.*

*Also, the appointment of highly experienced ASX director and West African operator Stephen Ross is an exceptional addition to the Company. Mr. Ross will be in Côte d'Ivoire during February and March supervising operations which will help us accelerate our exploration plans and understanding of these new projects."*

CDI holds interests, and has the rights to earn majority interests, in **seven gold and lithium projects** covering **2,769km<sup>2</sup>** of granted mineral permits and permit applications in Côte d'Ivoire under low-cost joint venture arrangements.

#### CDI Projects include:

- **Tengrela South gold project** (51% ownership, earning 80%) – flagship project comprising a granted mineral exploration permit 30km south and along strike of Perseus Mining Limited's Sissingué operating gold mine and 10km north of the Atex lithium discovery.

Significant gold mineralisation was identified in historical drilling at Tengrela; aircore drilling is underway to test extensions of the Podio and Logbog areas, with ~1,500m of a planned 3,300m program completed. Results are expected by the end of Q1 2024.

- **Adzope gold project** (application, earning up to 80%) has extensive and broad alluvial, eluvial and hard-rock gold mineralisation including a +2km-long sequence of artisanal gold operations in the northeast providing an immediate drill target.

Adzope gold permit application has been approved by Côte d'Ivoire's Interministerial Commission for Mines. Final Presidential approval is expected this quarter, allowing exploration to commence immediately upon granting.

- **Agboville lithium project** (applications, earning up to 85%) comprising more than 1,000km<sup>2</sup> of mineral permit applications over areas of the eastern pegmatite fields of Côte d'Ivoire where lithium, beryllium, tantalum and rare earth mineralisation have been identified in government mapping.
- **Kounahiri** (granted and subject to renewal, up to 80%) and **Kounahiri West** gold projects (application, up to 90%) in central Côte d'Ivoire along strike from Tietto Mineral Limited's Abujar deposit and hosting a 15km long gold-in-soil anomaly
- **Vavoua and Vavoua West gold projects** (two applications, earning up to 90%) in central west Côte d'Ivoire are 70km along strike from Tietto Minerals' Abujar Gold Mine and host a 23km long magnetic structure analogous to Abujar.

#### Côte d'Ivoire Mining Industry\*

Côte d'Ivoire has significant untapped mineral potential and a government committed to growing the mining sector, making it an attractive destination for mining investments in West Africa. Côte d'Ivoire has enjoyed political stability and steady economic growth of 7% in recent years. The government has prioritized strengthening security, improving infrastructure like roads and ports, and establishing special economic zones to facilitate foreign investment.

Gold production has expanded rapidly, rising from 400,000 ounces in 2012 to 1.5 million ounces in 2022. There are eight operating gold mines in Côte d'Ivoire operated by global mining firms including Barrick Gold, Endeavour Mining and Perseus Mining. As of June 2022, Côte d'Ivoire had granted 124 exploration permits.

\* <https://www.cruxinvestor.com/posts/cote-divoire-an-emerging-mining-hotspot-in-west-africa>



Figure 1: Location and geological plan of Desert Metals' new projects in Côte d'Ivoire

### Board changes

DM1 is pleased to welcome Stephen Ross (BSc (Geology), FFin, MAusIMM, MAICD) as a non-executive director and Manager of the Côte d'Ivoire projects, in conjunction with the CDI Resources acquisition. Mr Ross has a 28-year history with West Africa, having been based in Ghana for many years managing a geological consultancy, and is a former director of West African Resources Limited (ASX: WAF) and Azumah Resources Limited.

Mr Ross is a geologist, independent consultant, and public company director who has been involved in the international minerals industry in technical, business development, and corporate positions for 30 years. He is also non-executive Chairman of Power Minerals Limited and a non-executive director of Pinnacle Minerals Limited, Summit Minerals Limited and Trigg Minerals Limited.

Mr Ross will attend the African Mining Indaba Conference in Cape Town, South Africa as part of the Explorers Showcase to promote Desert Metals' Côte d'Ivoire projects. Post-Indaba, he will travel to Côte d'Ivoire to supervise and review in-country operations, particularly ongoing and planned drilling programs at Tengrela South and Adzope (subject to granting).

Anthony (Tony) Worth and Keith Murray have resigned as directors of Desert Metals with effect from the Settlement of the Acquisition. The Board thanks Mr Worth, who was one of the original founders of Desert Metals, and Mr Murray for their contribution to the Company and wishes them well in the future.

Accordingly, the Board now comprises non-executive Chair Mark Stewart, Managing Director Robert Stuart, and non-executive Director Stephen Ross, who will manage DM1's operations in Côte d'Ivoire.

### Completion of Share Placement

Desert Metals has completed a heavily oversubscribed share placement to raise \$3.75 million (before costs) via the issue of 115.4 million fully paid ordinary shares at an issue price of \$0.0325 per share (3.25 cents) (**Placement Shares**) to sophisticated and professional investors (**Placement**). Options to acquire shares (exercisable at \$0.06 (6 cents), on or before 31 December 2025) have also been issued to investors in the Placement on the basis of one (1) option for every two (2) shares subscribed for and issued (**Placement Options**).

The Placement Shares and Placement Options were issued following shareholder approval at the Company's extraordinary general meeting held on 17 January 2024.

The Placement Shares rank equally with the Company's existing shares. The proceeds of the Placement will be applied towards expenditure on the Company's existing projects, expenditure on the CDI projects, working capital and corporate administration.

CPS Capital Group Pty Ltd, Lead Manager to the Placement and Corporate Advisor to the Company, has been issued 7,500,000 options to acquire shares (exercisable at \$0.06, on or before 31 December 2026) in part consideration for its services.

Further information regarding the Acquisition, CDI and the Placement is set out in the Company's ASX announcements released on 4 and 6 December 2023.

The Company's existing cash (together with funds raised under the Placement) will be applied in the next 12 months as follows:

Item	Amount
Estimated DM1 and CDI cash at completion	\$450,000
Placement	\$3,750,000
<b>Total</b>	<b>\$4,200,000</b>
Estimated costs of the Proposed Acquisition and Placement	\$300,000
Expenditure on the Existing Assets	\$1,500,000
Expenditure on the CDI Projects	\$2,000,000
Working capital and corporate administration	\$400,000
<b>Total</b>	<b>\$4,200,000</b>

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

## 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 2,769km<sup>2</sup> of granted mineral permits and permit applications in Côte d'Ivoire, West Africa. DM1 also has a variety of nickel, copper, and base metal-focused projects in the northwest of the Yilgarn Craton and, high-grade Rare Earth Elements (REEs) and Platinum Group Elements (PGEs) at its Innouendy Project in Western Australia.

## 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.