

Quarterly Activities Report – Quarter ended 30 September 2024

OPERATIONS

- Commencement of first drilling program at the high-priority **King Kong prospect** in the northeast of the **Adzope gold project** in Côte d'Ivoire
- At least **8 diamond drill holes for 1,500m** are planned next to and underneath artisanal gold pits at the King Kong prospect
- Ground-based geophysics and the first phase of soil sampling completed. Channel and grab sampling of artisanal pits and areas remains ongoing
- **Results from the diamond drilling programme** and the soil, channel and grab sampling programmes at King Kong are anticipated in the **December 2024 quarter**
- Drilling at **Podio prospect** on **Tengrela South** permit in Côte d'Ivoire returned high-grade gold intercepts including:
 - **13m at 1.85g/t gold** from 78m including **1m at 13.34g/t gold** from 90m; and
 - **3m at 6.19g/t gold** from 49m including **1m at 17.49g/t gold** from 49m
- **14 shallow reverse circulation (RC)** drill holes ranging from **50m to 220m for a total of 1,698m** completed, with 11 holes intersecting gold mineralisation
- Infill and extensional drilling demonstrated gold mineralisation is consistent along strike and expands high-grade intercepts previously achieved by Perseus Mining (**ASX: PRU**) at Podio

CORPORATE

- West African mining professional **Fatou S. Gueye** appointed as a Non-Executive Director
- Desert Metals well-funded to complete first drilling program at Adzope with \$1.758m cash at 30 September 2024

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

CÔTE D'IVOIRE PROJECTS

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

During the **September 2024 Quarter** at the flagship **Adzope gold project**, Desert Metals successfully completed a community consultation programme, initiated on-ground gold exploration and following the Quarter's end, launched its **inaugural drilling programme**.

Throughout August and September, the Company conducted ground geophysics, channel and grab sampling of artisanal pits and a soil sampling programme in the highly promising northeastern section of the Adzope gold project, known as the **King Kong prospect**. This prospect encompasses a **+2km-long sequence** of artisanal pits and alluvial gold workings in an area known as "**the Beach**", which is the initial focus of gold exploration.

The ground geophysics survey, comprising Gradient Array Induced Polarisation (**GAIP**) and ground magnetics (**GMAG**), covered **55.45-line kilometres** and an area of **5.5 km²** over **the Beach** and its southwestern extension. Channel and grab sampling of the artisanal pits and surrounding areas at the King Kong prospect, including the Beach area, is ongoing.

In October, Desert Metals finalised the first phase of a two-phase soil sampling programme around the Beach area, collecting **1,005 soil samples**. Samples were taken at 50m intervals along 200m-spaced east-west lines in the vicinity of both hard rock and alluvial artisanal gold mining activity. This soil sampling programme aims to identify in situ gold anomalies for follow-up drilling potentially including auger, aircore, reverse circulation and/or diamond drilling, initially focusing on the Beach area's artisanal gold mining activity¹. See Figure 1.

Leveraging the ground geophysics results and mapping of the artisanal pit walls at King Kong and the Beach, the Company commenced its **maiden drilling programme** at King Kong in October².

The King Kong drilling programme will consist of a minimum of **eight diamond drill holes** ranging from **180m to 220m** in length totalling approximately **1,500m**. This programme aims to test interpreted zones of gold mineralisation mined by artisanal workers in a series of pits trending southwest from the extensive alluvial gold workings in the northeast corner of the Adzope gold permit. See Figure 2.

This marks the first-ever drill testing of this area, with drilling expected to take **3-4 weeks** to complete. The location of three of the eight diamond drill holes will be determined as the programme progresses, taking into account observations from the drill core. The diamond drill core will be submitted for gold assay using the Chrysos™ PhotonAssay technique at Intertek Ghana.

Initial results from the diamond drilling programme and the various ongoing soil, channel and grab sampling programmes at King Kong are anticipated in the **December 2024 quarter**.

¹ DM1 ASX Announcement dated 20 September 2024

² DM1 ASX Announcement 21 October 2024

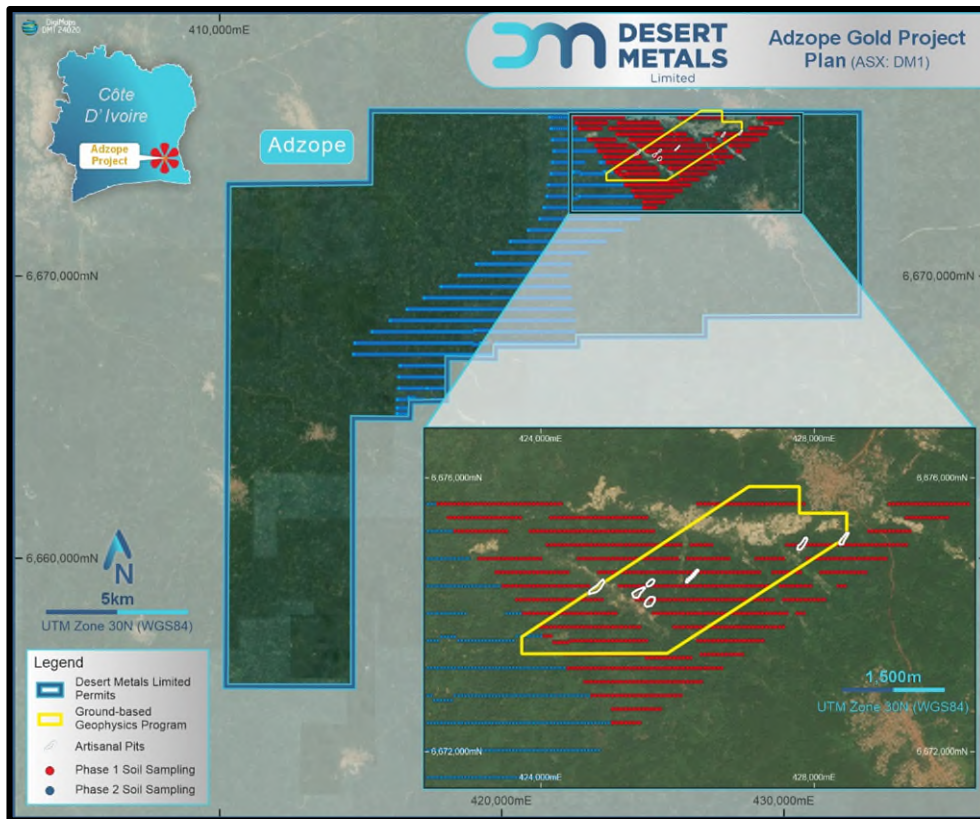


Figure 1 – Location plan of proposed soil sampling program at Adzope. Priority 1 samples are coloured red and Priority 2 samples are coloured blue.

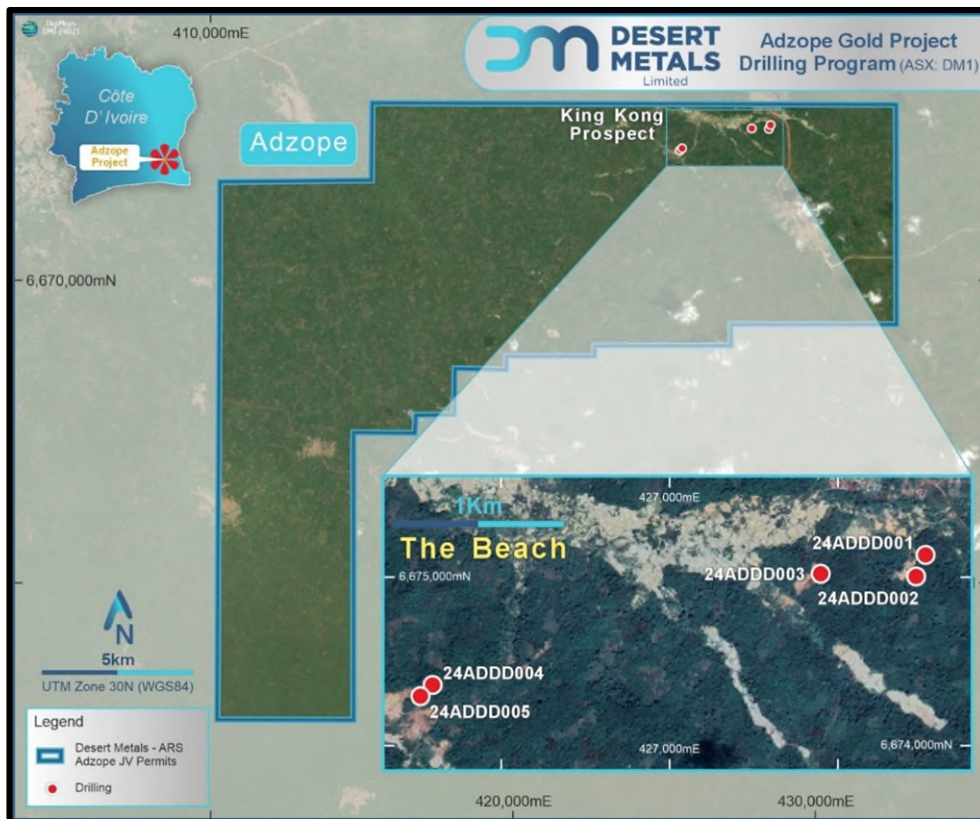


Figure 2 – Location plan King Kong diamond drilling

Podio Prospect, Tengrela South, Côte d'Ivoire (DM1 51%, earning 80%)

During the September 2024 quarter, Desert Metals reported results from reverse circulation (RC) drilling at the Podio prospect in the central southern area of the Tengrela South project. Multiple high-grade gold results were returned including:

- **13m at 1.85g/t gold** from 78m including **1m at 13.34g/t gold** from 90m; and
- **3m at 6.19g/t gold** from 49m including **1m at 17.49g/t gold** from 49m³.

Desert Metals drilled **14 RC holes** ranging in length from **50m to 220m** for a total of **1,698m** to infill and extend the high-priority Podio gold target where historical drilling by Perseus Mining previously identified high-grade gold mineralisation in the central-north zone and southern ends of Podio.

The drilling program achieved several objectives, including expanding the width of mineralisation in the south, increasing the strike length in the central north of Podio and extending end-of-hole mineralisation.

11 of the 14 holes drilled at Podio intersected significant gold mineralisation and the drill hole density will be assessed for a potential JORC Mineral Resource for the Podio mineralisation. **See Table 1** and see **DM1 ASX Announcement dated 28 August 2024** for full results tables.

Table 1 – Podio RC drilling selected high-grade significant intercepts					
Hole ID	Thickness m	Grade g/t	From m	To m	Gram x Metre
24TSRC002A	5	2.78	116	121	13.9
Including	1	6.64	120	121	6.64
24TSRC003	13	1.85	78	91	24.05
Including	1	13.34	90	91	13.34
24TSRC007	3	6.19	49	52	18.57
Including	1	17.49	49	50	17.49
24TSRC009	5	2.07	39	44	10.35
24TSRC010	3	3.62	93	96	10.86

Significant intercepts were calculated with a minimum thickness of 3m using a 0.5g/t gold cut-off and 1m of internal waste

The Podio gold mineralisation is only **28km south of the Sissingué gold mine** operated by Perseus Mining Limited (ASX: PRU) and 30km north of the Boundiali gold project held by Aurum Resources Limited (ASX: AUE).

³ DM1 ASX Announcement 28 August 2024

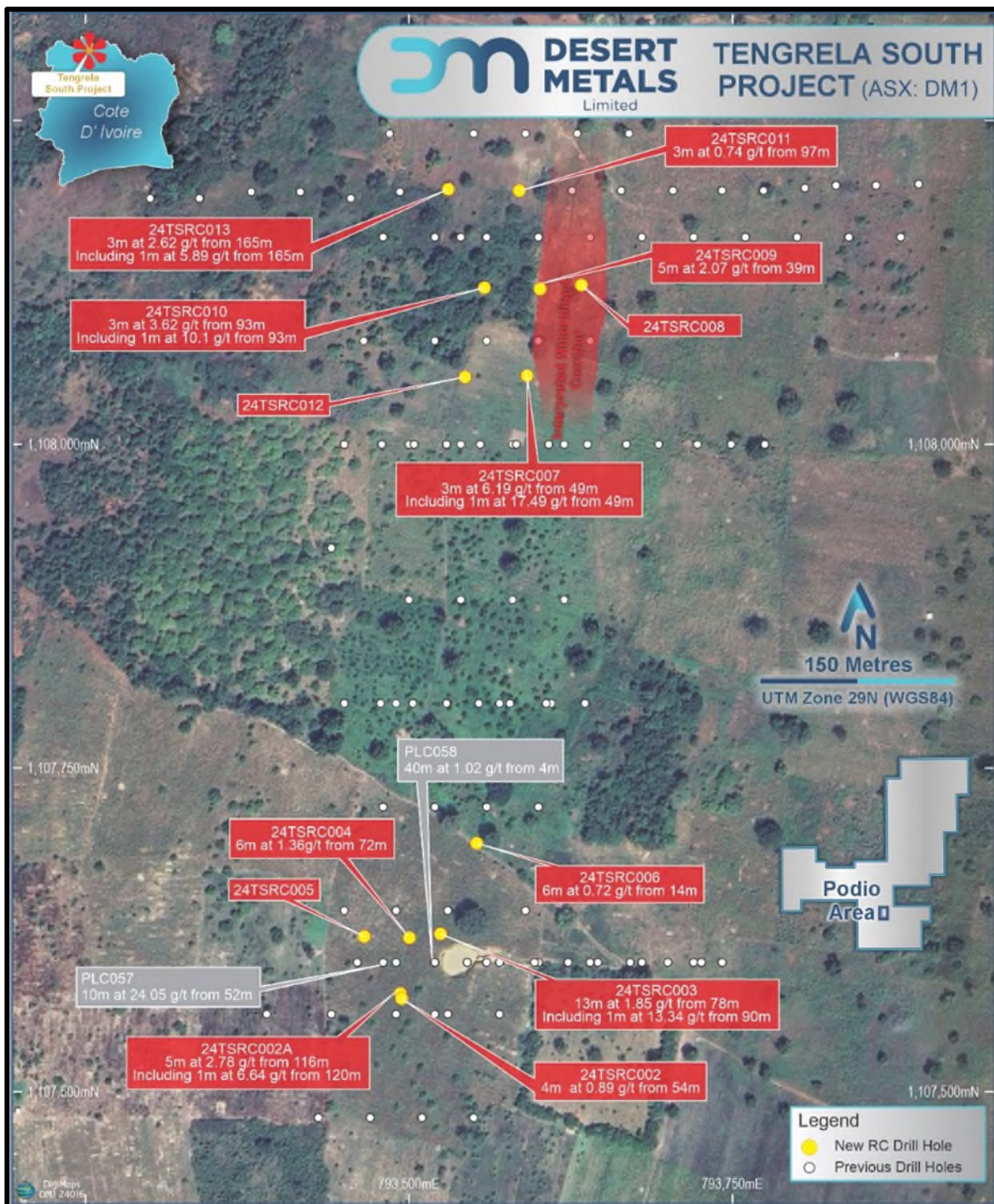


Figure 3 – Podio RC drill plan with results

Logbog Lithium Results

An aircore drilling program conducted earlier this year at the Logbog prospect, near the western border of the Tengrela South permit, aircore hole TEN-AC0037 intersected and finished end-of-hole in partially weathered pegmatite⁴.

⁴ See DM1 ASX Announcement dated 9 April 2024

This hole returned **12m at 0.82% Li₂O from 12m to 24m** and finished in pegmatite, with the last 2m returning 2m at 0.4% Li₂O from 26m to 28m. The K/Rb fractionation index (ratio) for this mineralised section of the pegmatite has returned values of 12 and 13, with any value less than 30 indicating favourable strong fractionation. This increases the likelihood that this pegmatite could be part of a cluster of lithium-bearing pegmatites.

As the initial exploration drilling was broad-spaced, with a single line of 50m-spaced aircore holes drilled, and with only one hole located at the western end of the line intersecting pegmatite, the width and continuity of the pegmatite has still to be investigated and defined.

Drilling at the Atex-Spodumene Hill lithium pegmatite project recently returned 15m at 0.74% Li₂O from 118m, including 6m at 1.59% Li₂O from 118m, which is encouraging for Desert Metals' future exploration.

WEST AUSTRALIAN (WA) PROJECTS

Desert Metals conducted a strategic review of all its Western Australian assets in the June 2024 Quarter. This strategic review concluded that the likelihood of discovering an economic mineral deposit at the Adzope and Tengrela South projects in Côte d'Ivoire was much higher compared to the various WA Projects. Given the finite funding available Desert Metals determined it would be appropriate to focus on its projects in Côte d'Ivoire.

During the September 2024 Quarter, Desert Metals continued to actively look for joint venture partners or divestment of its WA assets.

CORPORATE

Board Changes

Desert Metals appointed West African mining professional **Ms. Fatou S. Gueye** as a Non-Executive Director during the quarter. Ms. Gueye is the Co-Founder and Director of Sanu Gold Corporation (CSE: SANU | OTCQB: SNGCF) and has extensive experience as a senior executive in financial services, consulting, and mining roles in Australia, the US, and Africa. She helped assemble Sanu Gold's portfolio of gold projects in Guinea and has gained considerable experience in exploration and mining finance, particularly for West African explorers and developers.

Her appointment followed the resignation of Non-Executive Director Dr Robert Stuart to pursue other interests.

ASX Additional Information

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$425,000. 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 \$111,298 was paid to related parties during the quarter comprising Director fees. During the quarter, \$30,316 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.

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 at the end of the Quarter.

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
P51/2993	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.

In accordance with listing rule 5.3.3, the table below shows the interest in tenements disposed / relinquished during the quarter

Western Australian Tenements					
Tenement ID	Name	Type	Status	Ownership	Holder
P51/2953	Norie/Little Gap Well	Prospecting	Granted	Nil	

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 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(204)	(204)
(e) administration and corporate costs	(300)	(300)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	25
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 –	-	-
1.9 Net cash from / (used in) operating activities	(479)	(479)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation	(425)	(425)
(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 (3 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	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other –	-	-
2.6	Net cash from / (used in) investing activities	(429)	(429)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,668	2,668
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(479)	(479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(429)	(429)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	1,758	1,758

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	1,758	2,668
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)	1,758	2,668

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	142
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

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.</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)	-	-
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)	(479)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(425)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(904)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,758
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,758
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.94
<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, the Company is currently completing an initial drilling program and channel and grab sampling at the Adzope Gold Project.	
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: The Company will review its exploration plans and funding requirements for 2025 upon completion of the initial drilling program at the Adzope Gold Project. The Company expects to raise further funds in H1 2025. The Company has a track record of raising equity capital to meet its requirements.	

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

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 will be able to raise further cash when required as indicated 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: 31 October 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.