DESERT METALS
Limited

ABN 84 617 947 172

ANNUAL REPORT

For the Year ended
30 June 2021

Corporate directory

Board of Directors

Dr Robert Angus Castle Stuart	Managing Director
Mr Mark Robert Stewart	Non-Executive Chairman
Mr Antony William Worth	Technical Director
Mr Keith Charles Murray	Non-Executive Director (appointed 7 July 2021)

Company Secretaries
Mr Paul Heatley
Mr Johnathon Busing

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West Perth WA 6005
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Facsimile: +61 8 6458 4299

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Dunsborough WA 6281

Website
www.desertmetals.com.au

Auditors
Hall Chadwick WA Audit Pty Ltd
(previously known as Bentleys (WA) Pty Ltd)
283 Rokeby Road
Subiaco WA 6008
Tel: +61 8 9426 0666

Share Registry
Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000
Tel: +61 1300 288 664
Tel: +61 2 9698 5414

Stock Exchange
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth, Western Australia 6000

ASX Code
DM1

Contents

Directors' Report

The Directors present their report on Desert Metals Limited ("Desert Metals" or "the Company") for the financial year ended 30 June 2021.

Directors

Unless otherwise indicated, the following persons were Directors of the Company during the entire financial year and up to the date of this report:

Mark Robert Stewart (Non-Executive Chairman)
Robert Angus Castle Stuart (Managing Director)
Antony William Worth (Technical Director)

Board of Directors

The Company's Directors in office as at 30 June 2021 were:

Name	Particulars
Mr Mark Robert Stewart	Non-Executive Chairman, joined the board on 15 April 2020. Mr Stewart has over 30 years of international legal and commercial experience, particularly in the resources industry, in Africa, Asia, North America and Australia. He worked as an in-house lawyer for Anglo American plc (Anglo) for over ten years. Mr Stewart has broad commercial experience in the junior mining and resources sector, having worked for junior listed resource companies from 2003 to 2010, including roles as a Non-Executive Director, Managing Director and Chairman of several ASX listed resource companies. Mr Stewart holds a Bachelor of Journalism majoring in Journalism and Law from Rhodes University (South Africa) and a Bachelor of Laws from the University of Cape Town (South Africa). He is a member of the Australian Institute of Company Directors.
Dr Robert Angus Castle Stuart	Managing Director, joined the board on 29 March 2017. Dr Stuart is a geoscientist who has worked in mineral exploration for the last 25 years. He has successfully explored for precious and base metals as well as bulk commodities in Australia, North America, Africa, the former Soviet Union and Asia. He has worked for listed junior explorers and major mining companies. Dr Stuart spent 5 years as Program Manager - Minerals Exploration at BHP Billiton where he managed regional exploration for Russia and Central Asia, exploring for copper, nickel and metallurgical coal. Prior to that he was Program Manager for near mine exploration at BHP Billiton / Nickel West in Western Australia.
Mr Antony William Worth	Technical Director, joined the board on 29 March 2017. Mr Worth is a geologist and business development consultant with 25 years' experience. He has worked in Australia, Africa, North America and South America on a wide range of commodities and deposit styles. Mr Worth has a broad range of experience across all aspects of the minerals exploration industry, from target generation, exploration management and field programs implementation, through to commodity market analysis, joint venture negotiations and project acquisitions.

Meetings of Directors

Particulars of the number of meetings of the Company's Directors (including meetings of committees of Directors) during the financial year, and the number of those meetings attended by each Director (as applicable), are detailed in the table below.

	Board meeting	
Directors	Eligible to attend	Attended
Mark Robert Stewart	3	3
Robert Angus Castle Stuart	3	3
Antony William Worth	3	3

Interests of Directors

The following table sets out each director's relevant interests in shares and options of the Company or in any related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share options Number
Mark Robert Stewart	200,000	1,600,000
Robert Angus Castle Stuart	10,360,000	3,900,000
Antony William Worth	5,200,000	1,500,000

Company Secretaries

The following persons acted as Company Secretary of the Company during the financial year and up to the date of this report:

Mr Paul Heatley

Mr Heatley is the founder and director of Halifax Advisory. He specialises in providing CFO, business management and corporate governance services to medium and large businesses.

Mr Heatley was previously a partner in a mid-sized accounting practice and has 20 years' experience in providing business advisory, taxation and company secretarial services to a range of large private and public unlisted companies.

He is a member of CPA Australia and holds a public practice certificate.

Mr Johnathon Busing

Mr Busing is currently the founder and director of Everest Accounting. He specialises in advising ASX listed companies on compliance, mergers and acquisitions, consulting and statutory accounting requirements.

Mr Busing was a forensic accountant at RSM before joining Mining Corporate in 2011 and was responsible for the compliance and accounting requirements of ASX listed and unlisted entities. Mr Busing is the current company secretary for multiple ASX listed entities.

Mr Busing is a member of Chartered Accountants Australia and New Zealand and holds a public practice certificate.

Indemnification of officers and auditors

Indemnification

During or since the end of the financial year, the Company has paid the premiums in respect of a contract to insure Directors and other officers of the Company against liabilities incurred in the performance of their duties on behalf of the Company. The officers of the Company covered by the insurance policy include any natural person acting in the course of duties for the Company who is or was a Director, secretary or executive officer, as well as senior and executive staff.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Insurance premiums
During the financial year the Company has paid a premium of $36,960 in respect of a contract to insure the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporation Acts 2001.

Dividends
No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Options

Unissued shares under options
During and since the end of the financial year, no share options were granted to directors under an Employee Option Plan:

Shares issued on exercise of options
None.

Proceedings on behalf of the Company
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate governance
The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.desertmetals.com.au. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

The Company considers it is not of a sufficient size to establish an audit and risk committee, remuneration committee and nomination committee. Accordingly there were no meetings held by these committees.

The board currently carries out the duties that would ordinarily be assigned to these committees under the written terms of reference for that committee in its Corporate Governance Plan as published on its website.

As an Audit and Risk Committee has not been established, the processes the Board employs to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework are carried out by the Board as a whole in accordance with Schedule 3 – Audit and Risk Committee Charter of the Company's Corporate Governance policy.

Significant changes in the state of affairs
There have been no significant changes in the state of affairs of the Company during the financial year.

Operating and financial Review

Principal Activities

The principal activity of the Company during the course of the year was exploration activities for nickel and copper on the NW Margin of the Yilgarn craton in Western Australia. The Company flew 4880-line km of helicopter borne electromagnetic (EM) data, generating multiple anomalies. Approximately 15 of these anomalies were subsequently refined by detailed ground based moving loop EM surveys, confirming the presence of several high conductance targets.

The Company also drill tested EM conductors at its Innouendy and Irrida Hill targets. The drilling successfully confirmed the source of the conductors to be massive sulphides, however no economic nickel or copper has been intersected to date.

Operating results

The comprehensive loss of the Company after tax for the year ended 30 June 2021 was $1,200,451 (2020: $44,263). Further discussions on the Company's operations are provided below:

Review of operations

Exploration

The Company was founded with the specific objective of exploring the Yilgarn craton margin for undiscovered Ni-Cu-PGE intrusive style mineralisation. The Narryer terrane was recognised by the Company as being an underexplored and highly prospective region and the Company's nine granted exploration licenses covering approximately 1700km2 were staked over what was then vacant ground (Figure 1). After Desert Metals staked its ground, Chalice Mining Ltd discovered Ni-Cu-PGE mineralisation on the western craton margin at Julimar and the Narryer Terrane was recognised as a similar tectonic environment. This has led to Chalice and other explorers staking ground surrounding the Company's licenses during this financial year.

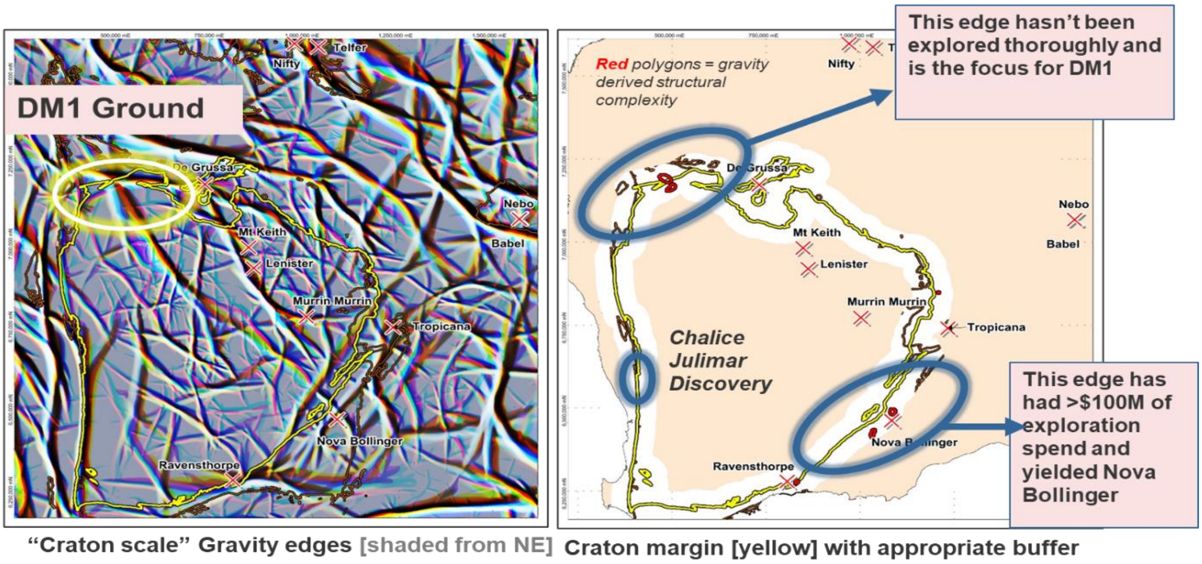


Figure 1 Location of Desert Metals Licenses

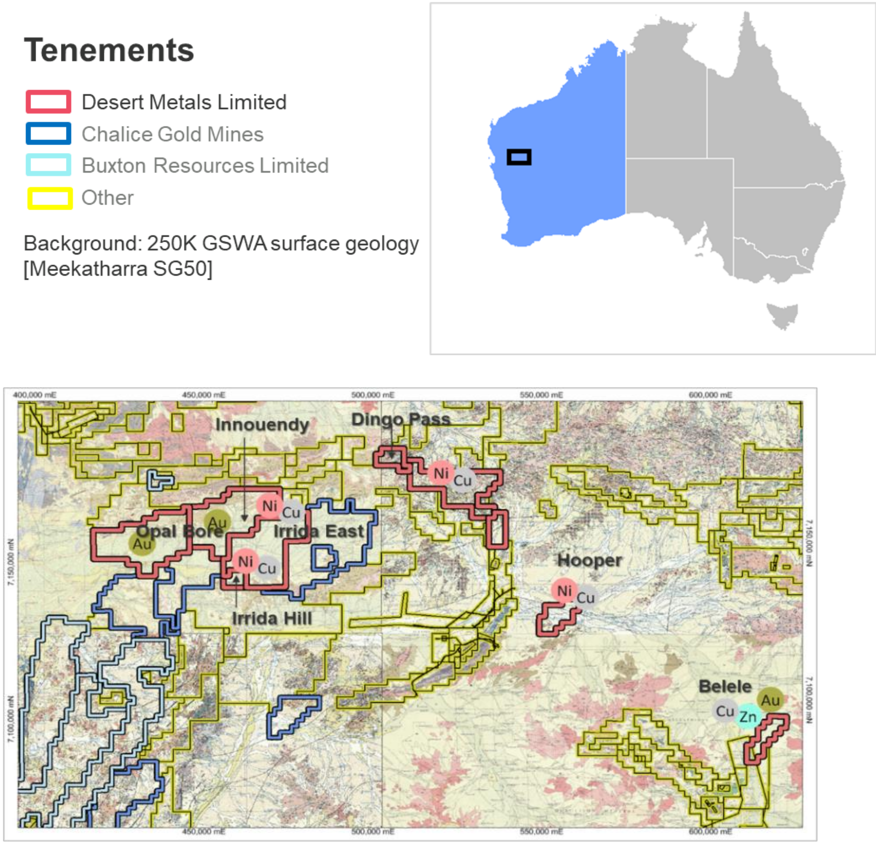


Figure 1 continued Location of Desert Metals Licenses

In August 2020, prior to listing on the ASX, Desert Metals collected ground EM data over a distinct magnetic feature, Irrida Hill (Figure 2). Irrida is located on an interpreted structural jog on the craton margin and hypothesised to be caused by a late intrusion. If this intrusion contained massive sulphide mineralisation it would be detected by the EM survey. Ground EM data revealed several strong late-time conductors through the middle and the western flank of the interpreted intrusion.

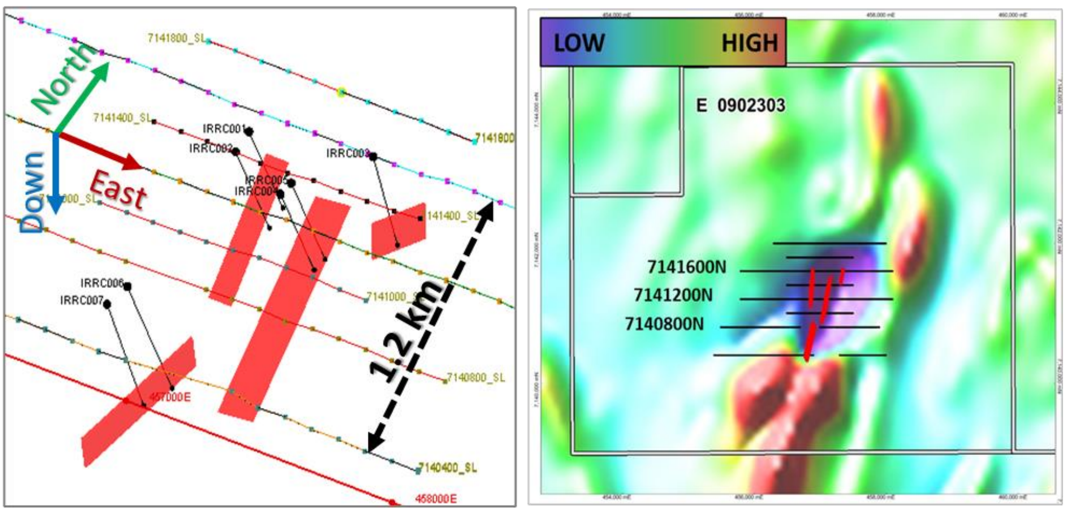


Figure 2 Irrida Hill anomalies. Left: Modelled conductive plates. Right: Ground EM traverses and modelled plates over background image of RTP magnetics.

With these new conductors at Irrida and previously identified targets at Innouendy the Company had several high-quality drill targets, and funding was raised through a successful listing on the ASX in December 2020. The funds raised were for drilling at Innouendy, Irrida and for collecting regional airborne electromagnetic data across the Company's tenure. The primary aim in collecting airborne data was to locate any other unknown and untested conductors that may be caused by magmatic sulphide mineralisation. In early 2021 the Company began collecting 4880-line kilometres of helicopter borne electromagnetic data over the entirety of its licenses. Several high-quality conductors were identified and ground based moving loop EM surveys were then used to further refine the airborne EM anomalies. The result of this initial program is that the Company has, in addition to Innouendy and Irrida Hill, at least ten new drill targets on high conductance EM anomalies. A number of these coincide with previously unmapped mafic or ultramafic rocks, the type of rock which can host Ni-Cu-PGE mineralisation.

Fieldwork on these new targets is ongoing, with mapping and soil geochemistry programs underway. There are also several airborne EM anomalies yet to receive ground EM follow-up.

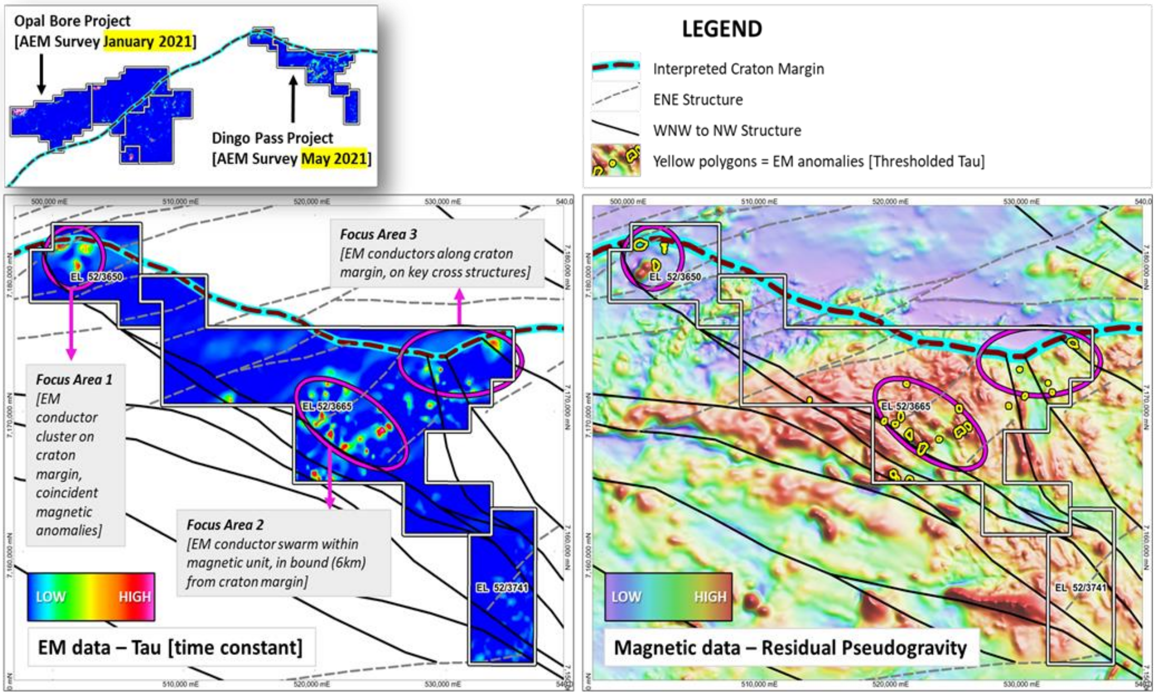


Figure 2 Helicopter EM data over all of Desert Metals' licenses.

Drilling

In April 2021, the Company announced the commencement of drill testing at Innouendy and Irrida Hill. The program consisted of ten reverse circulation (RC) holes and six diamond tails for a combined 2040m. The drilling costs will be partly covered by a $150,000 Exploration Incentive Scheme (EIS) grant from the Western Australian State Government.

Innouendy

The Innouendy project consists of two high conductance plates modelled from airborne and ground EM data collected by previous explorers and coincident with a prominent magnetic anomaly. These explorers had drilled 5 RC and one diamond hole, attempting to intersect the eastern conductor. Historic drilling intersected ultramafic intrusive rocks but no massive sulphides. Desert Metals re-modelled the existing EM data and determined that the previous drilling had not tested the eastern EM conductor. The western conductor was not previously drilled.

The Company completed three diamond holes at Innouendy, two into the eastern plate and one deeper hole into the western plate. The drilling was successful in intersecting magmatic sulphides in mafic intrusive rocks in all three holes. These are believed to be the first significant intersections of massive magmatic sulphides anywhere in the Narryer Terrane.

Hole 1 (IND006) intersected an approximately 22m wide zone of disseminated to networked pyrrhotite, with minor pyrite and traces of chalcopyrite hosted in medium-coarse grained mafic intrusive.

Hole 2 (IND007) intersected an approximately 5m wide zone of semi-massive, networked and disseminated pyrrhotite dominated sulphides from 202m. Additionally, a smaller zone of 20cm at 228.5m contained network textured chalcopyrite (copper sulphide), pyrrhotite and pentlandite (nickel sulphide). Both sulphide zones are hosted in a mafic intrusive rock and are sufficient to explain the EM conductors.

Hole 3 (INDD009) at Innouendy was drilled into the western EM plate and intersected approximately 40m of disseminated to networked pyrrhotite with minor disseminated chalcopyrite over two separate 20m intervals. The sulphide intersections are believed to adequately explain the modelled EM plate, although the hole probably went over the top of the main zone of sulphides.

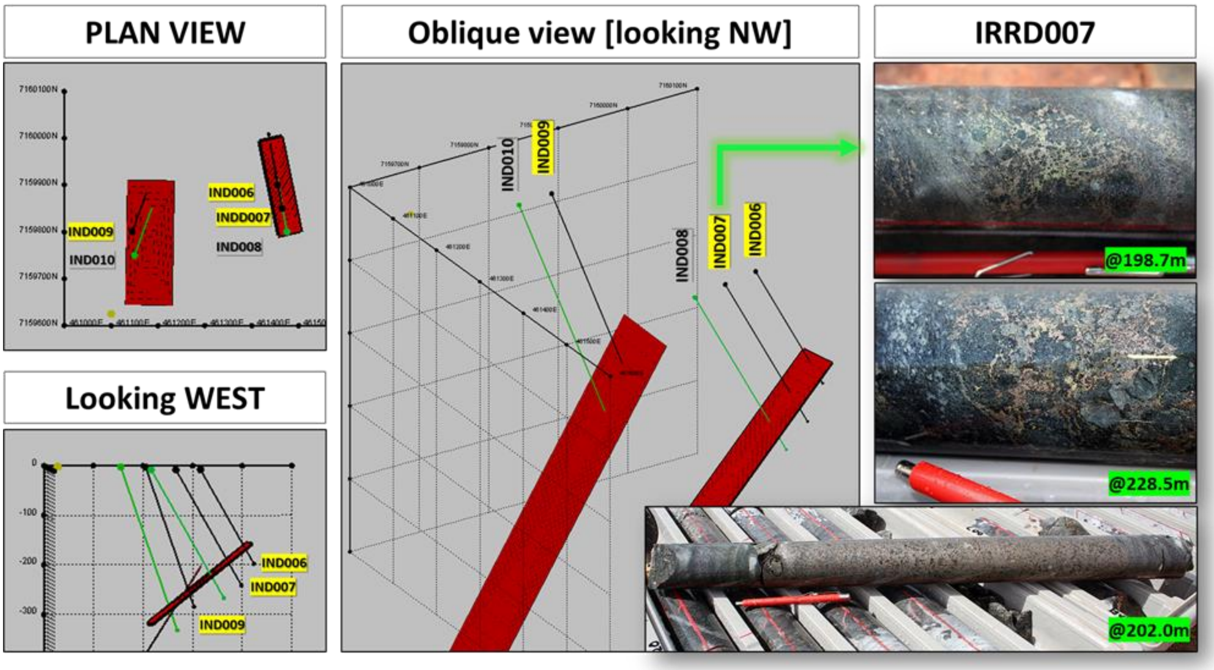


Figure 3 Location of drill holes at Innouendy and metallic sulphides intersected

Irrida Hill

The Irrida Hill prospect consists of a strong, discrete magnetic anomaly that is coincident with several high conductance EM plates that have been modelled from ground EM data collected by the Company. The geology at the prospect consists of sub-cropping mafic intrusion and banded iron formation.

Three diamond holes have been drilled into three separate conductors at Irrida Hill. The first hole (IRRD004) was drilled into the easternmost conductor and intersected several zones of networked and heavily disseminated pyrrhotite hosted in metamorphosed mafic schist and banded iron formation (BIF). The sulphides intersected were sufficient to explain the modelled conductor, but it is still unclear whether the sulphides are remobilised magmatic sulphides or are derived from some other source.

The second hole (IRRD005) was drilled into the central conductor and intersected several wide zones of sulphides ranging from disseminated to semi massive. The sulphides were predominantly pyrrhotite and were hosted in several rock types, including mafic amphibolite, mafic schist and metamorphosed BIF. A coarse grained pyroxenite intrusive was intersected from 271m-302m directly beneath a 9.5m intersection of semi-massive to massive sulphide. Downhole EM surveying was subsequently completed and determined that the strongest part of the conductor is off-hole to the east.

The third hole (IRRD006) was drilled into the western conductor and intersected two narrow zones of sulphides at 158.5m-163m and 202.5m-204.7m. Both zones were dominated by pyrrhotite, including massive pyrrhotite in the shallower zone. The sulphides were hosted in mafic amphibolite and were sufficient to explain the modelled conductor.

An additional three RC pre-collars were drilled at the western and central conductor but have not been used for diamond tails to date.

Figure 5 The Irrida Hill prospect

The Belele Tenement - EM Survey Results

The Belele prospect (E51/1907) is roughly 50km northwest of Meekatharra and covers gravity and magnetic features interpreted by Desert Metals to be an extension of the Mingah Range Greenstone Belt. The prospect is completely covered by alluvium and colluvium. The Mingah Range Greenstone Belt has previously been explored for gold and base metals and contains numerous historical gold showings, as well as several reported base metal gossans. Desert Metals considers the project prospective for shear zone hosted (orogenic) gold and volcanogenic massive sulphide (VMS) base metal deposits.

The Company completed an Airborne EM survey at 250m line spacing to optimise the detection of any VMS deposits which may be conductive. The survey was successful in detecting a "textbook" discrete conductive bullseye coincident with a magnetic bullseye, which may be caused by sulphide mineralisation. The anomaly was better defined by a more detailed ground EM survey and is now a priority for drill testing. A Program of Work (POW) to drill the conductor has been granted by the Department of Mines and drilling will be completed as soon as Heritage clearance is obtained.

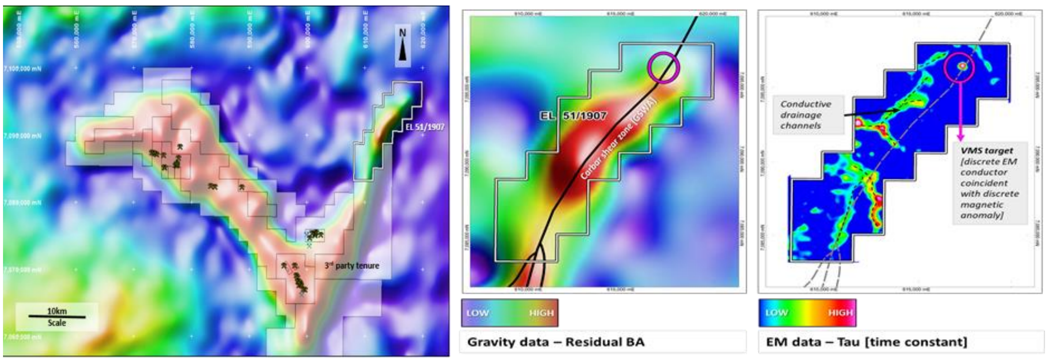


Figure 6 Residual gravity and Airborne EM at Belele

Dingo Pass Project

The Airborne EM data acquired over the Company's eastern licenses in May this year produced several strong, discrete anomalies. So far eight have been followed up, with ground EM and plate models made. Conductivities from these are modelled at up to 12,000 Siemens, which is very high. For comparison, the initial Nova Bollinger conductor was modelled at approximately 5000 S and the multiple conductors at Irrida Hill at roughly 3000 S. The higher the conductance, the greater the chance it is caused by a thicker deposit of massive sulphide.

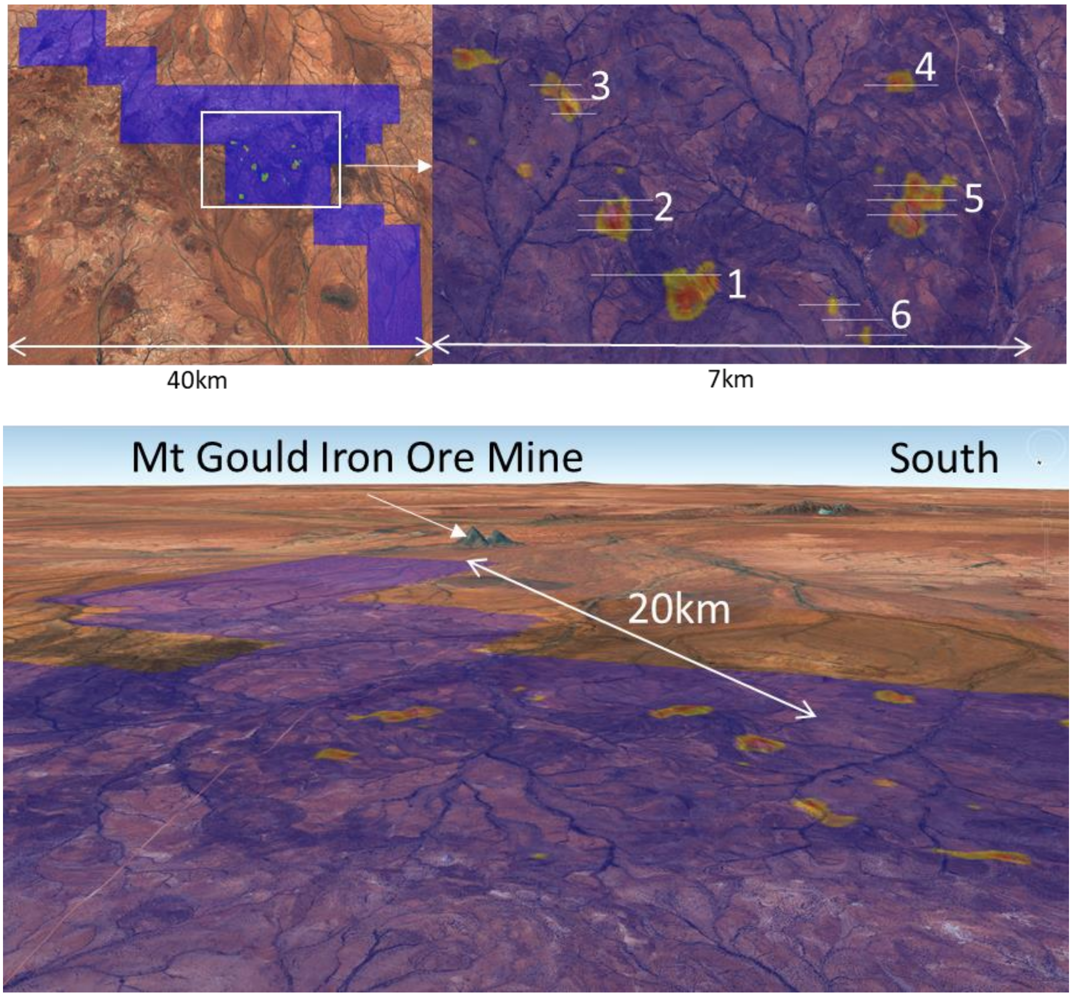


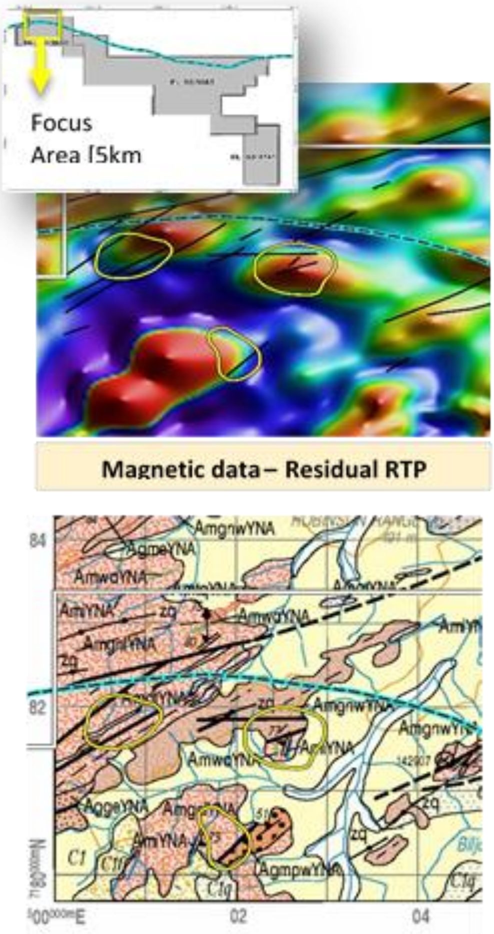
Figure 7 Dingo Pass Airborne EM anomalies. Modelling of Ground EM traverses has produced causative plates of very high conductance.

A POW has been submitted to the Department of Mines to allow drill testing of three targets at Dingo, each with multiple EM conductors. Soil geochemistry is also underway over these targets to help plan and prioritise the drilling.

Breakaway

The Breakaway prospect straddles the interpreted boundary between the Yilgarn craton in the south and the Errabiddy shear zone to the north.

Helicopter EM data collected at 200m line spacing across the license has revealed three robust conductors, each semi-coincident with mapped meta-gabbro or peridotite in the 100K geology and a magnetic high. Desert Metals' geologists have subsequently mapped extensive ultramafic rocks in the area between felsic intrusive units which do not appear on the 100K maps. The locations of the EM conductors are shown as yellow polygons over the magnetic and geology images in Figure 8. The Tau image shown is derived from helicopter data collected at 200m line spacing. Targets will be defined through plate modelling of these data and the conductors prioritised for drilling.



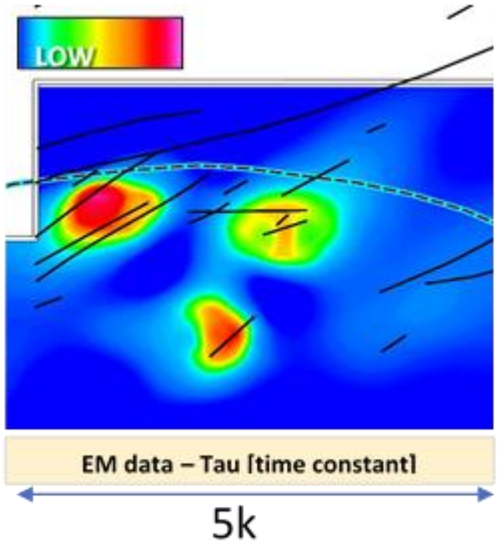


Figure 8: EM Survey Results- Breakaway
Mapped geology shows peridotite (a mantle derived rock often associated with Ni-Cu-PGE sulphide deposits) coincident with a magnetic anomaly and a strong conductor within a few 100 metres of the Craton margin. The conductors may be caused by economic metallic sulphides. These new targets are prioritised for ground EM and drill testing

Corporate

Capital Raising

On 2 November 2020, the Company successfully raised $1,000,000 via a Placement of 10,000,000 fully paid ordinary shares ("Shares") at an issue price of $0.10 to sophisticated and professional investors.

On 11 December 2020, the Company raised an additional $5,000,000 via an introductory Public Offer and Placement of 25,000,000 Shares at an issue price of $0.20.

Both Placements were heavily oversubscribed.

Matters subsequent to the end of the financial year

Exploration

Innouendy Drilling

Downhole EM (DHEM) was completed on holes INRD006 and INRD008 at Innouendy. These data suggest there remains an untested conductor approximately 40m to the east of hole INRD008. Extension along the plane of this conductor intersects INRD008 at approximately 255m downhole. 40cm of massive sulphide was intersected in hole INDR008 at 255m. DHEM data from hole INRD006 also showed both holes INRD006 and INRD007 intersecting the outside edge of a larger conductive sheet.

Assays from all 3 holes (INRD007, INRD006 and INRD008) were received from the lab. No anomalous analytical results for nickel and copper were identified. Whole rock geochemical analysis is being conducted and decisions on targeting the untested conductor will be made after this work is complete. Any further drilling at Innouendy would have to be prioritised alongside other targets and compete for funds with the Company's prospects at Belele, Dingo Pass, Breakaway, Irrida Hill and others.

Irrida Hill Drilling

Hole IRRDD005 intersected metamorphosed mafic schist and mafic intrusive interlaced with banded iron formation. The sulphide mineralisation was remobilised along the dominant foliation and consists of numerous zones of disseminated to network textured mineralisation that is similar to that intersected in the first two holes.

DHEM completed after drilling is still being interpreted, although preliminary results suggest a large sheet of sulphide mineralisation runs parallel to current drill holes and has not been tested by current drilling. Core was sent to the lab and further targeting at Irrida Hill will be planned after assays are received.

Eastern Licenses

The focus of the current field season is now on the Company's projects at Breakaway, Dingo Pass and Belele in the Eastern Licenses.

Programs of work were approved for drilling programs at Dingo Pass and Belele, which will begin as soon as heritage clearances are finalised. A soil sampling program is currently underway across the entire Dingo Pass license. This program will test for both base metals and gold. The aim is to prioritise the order of drilling for the current conductive targets as well as to map any zones of alteration that may be prospective for gold. The Company is currently in the fortunate position of having generated a significant number of highly prospective targets and the focus for the foreseeable future is on prioritising and systematically testing these targets.

Corporate

Appointment of Director

On 7 July 2021, Mr Keith Murray was appointed as an independent Non-Executive Directorof the Company.

Mr Murray is a Chartered Accountant with extensive knowledge and experience built up over 40 years at General Manager level in audit, accounting, tax, finance, treasury and corporate governance. Mr Murray's experience in mining extends to the 1990's during which time he was Group Accounting Manager Corporate and Taxation and joint Company Secretary for Eltin Limited, a leading Australian based international mining services company. Mr Murray is currently General Manager Corporate and Company Secretary for Heytesbury, the privately owned Holmes à Court family company group in Western Australia.

Remuneration report (Audited)

This report sets out remuneration information for Key Management Personnel who have the authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, including any director (whether executive or otherwise) of the Company. The prescribed details for each person covered by this report are detailed under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Company performance
- Executive service agreements
- remuneration of key management personnel

Key management personnel

The directors and other key management personnel ("KMP") of the Company during or since the end of the financial year were:

Non-executive directors	Position
Mark Robert Stewart	Non-Executive Chairman
Antony William Worth	Technical Director
Robert Angus Castle Stuart	Managing Director
Keith Charles Murray	Non-Executive Director (appointed 7 July 2021)

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy

The remuneration policy of Desert Metals Limited has been designed by the Board taking into consideration the stage of development of the Company and the activities undertaken. The guidance is to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component or a fee for service (where that is applicable) and offering specific long-term incentives based on key performance areas affecting the Company's financial results or operational milestones. Remuneration levels for KMP are set to attract, retain and incentivise appropriately qualified and experienced directors and executives. The Company rewards executives with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with the business strategy.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and director and KMP performance.

Non-executive director remuneration

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Fees for non-executive directors are not linked to the performance of the Company. No non-executive director shall be paid as part or the whole of his remuneration a commission on, or a percentage of, profits or a percentage of operating revenue. The total aggregate fixed sum per annum to be paid to the non-executive directors from time to time will not exceed the sum determined by the shareholders in general meeting.

The maximum aggregate amount of fees that can be paid to non-executive directors in accordance with clause 15.7 of the Company's constitution shall initially be no more than $250,000 and may be varied by ordinary resolution of the Shareholders in general meeting.

Executive director remuneration
The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board considers that the key performance indicator in assessing the performance of executive directors ("executives") and their contribution towards increasing shareholder value is share price performance over the review period.

Overall remuneration policies are subject to the discretion of the Board. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to their performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligations to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles are:

(a) remuneration reflects the competitive market in which the Company operates;
(b) individual remuneration should be linked to performance criteria if appropriate; and
(c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

(a) salary - executives receive a fixed sum payable monthly in cash;
(b) cash at risk component - executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate, however, the Board considers it appropriate to issue shares and options to executives outside of approved schemes in exceptional circumstances; and
(c) other benefits - executives may, if deemed appropriate by the Board, be provided with a mobile phone and other forms of remuneration.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by KMP during the financial year.

Relationship between the remuneration policy and Company performance
The Board considers that, at this time, evaluation of the Company's financial performance using generally accepted measures such as profitability, total shareholder return or peer company comparison are not relevant.

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to 30 June 2021:

	30 June 2021 $	30 June 2020 $	30 June 2019 $	30 June 2018 $
Revenue	-	-	-	-
Net loss before tax	(1,200,451)	(44,263)	(44,890)	(4,918)
Net loss after tax	(1,200,451)	(44,263)	(44,890)	(4,918)
Share price at start of year	N/A	N/A	N/A	N/A
Share price at end of year	0.6500	N/A	N/A	N/A
Basic/diluted loss per share (cents per share)	(2.857)	N/A	N/A	N/A

Executive service agreements

Remuneration and other terms of employment for the executive directors and other KMP are formalised in employment or service agreements. The major provisions of the agreements relating to remuneration for the year ended 30 June 2021 are set out in the table below.

Name	Agreement	Base Salary or Fees (p.a.)	STIP/LTIP	Consulting per Hour	Duration	Notice Period	Termination
Mark Stewart	Service	50,000			Ongoing		
Antony Worth	Service	40,000			Ongoing		
Robert Stuart	Service	40,000			Ongoing		

Remuneration of key management personnel

Details of the remuneration of the directors, the KMP of the Company (as defined in AASB 124 Related Party Disclosures) and specified executives of Desert Metals Limited are set out in the following tables. The KMP of the Company are the directors and the Company Secretaries.

2021	Short-term employee benefits		Post-employment benefits	Share-based payment		% of remuneration Performance related
	Salary & fees $	Other $	Superannuation $	Options $	Total $	
Directors						
Mark Stewart[1]	50,000		4,750		54,750	0%
Antony Worth[2]	40,000		3,800		43,800	0%
Robert Stuart[3]	40,000		3,800		43,800	0%
Total	**130,000**		**12,350**		**142,350**	

[1] Mr Stewart was appointed as chairman on 15 April 2020
[2] Mr Worth was appointed as a director on 29 March 2017
[3] Mr Stuart was appointed as a director on 29 March 2017

No remuneration was paid to KMP in the prior financial year.

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses
No bonuses were paid to KMP during the financial year (2020: Nil)

Incentive share-based payment arrangements
During the financial year, no share-based payment arrangements were in existence:

No share options were exercised by KMP during the year (2020: Nil)

Other transactions with KMP

Mr Mark Stewart is a director of Arion Legal, which was paid $8,393 for legal services provided during the year.

Mr Antony Worth is a director of West Coast Geoscience Pty Ltd, which was paid $106,035 for geological consulting services provided during the year.

Mr Robert Stuart is a director of Fathom Geophysics Australia Pty Ltd, which was paid $204,062 for geophysical consulting and executive management services provided during the year.

Key management personnel equity holdings

Fully paid ordinary shares of Desert Metals Limited

2021	Balance at 1 July 2020 No.	Granted as compensation No.	Received on exercise of options No.	Net other Change No.	Balance at 30 June 2021 No.	Balance held Nominally No.
Mark Stewart	-	-	-	200,000	200,000	200,000
Antony Worth[1]	5,000,000	-	-	200,000	5,200,000	5,200,000
Robert Stuart[2]	10,000,000	-	-	360,000	10,360,000	10,360,000

[1] "Net other Change" represents shares issued to professional and sophisticated investors pursuant to capital raising.
[2] "Net other Change" represents shares issued to professional and sophisticated investors pursuant to capital raising.

2020	Balance at 1 July 2019 No.	Granted as compensation No.	Received on exercise of options No.	Net other Change No.	Balance at 30 June 2020 No.	Balance held Nominally No.
Mark Stewart	-	-	-	-	-	-
Antony Worth	5,000,000	-	-	-	5,000,000	5,000,000
Robert Stuart	10,000,000	-	-	-	10,000,000	10,000,000
Brian Rodan[1]	9,970,000	-	-	(9,970,000)	-	-

[1] Resigned 6 April 2020. Amount in 'Net other Change' represents shares issued to professional and sophisticated investors pursuant to capital raising and balance held on resignation.

Share options of Desert Metals Limited

2021	Balance at 1 July 2020 No.	Granted as compensation No.	Net other Change No.	Balance at 30 June 2021 No.	Balance held Nominally No.
Mark Stewart	-	-	1,600,000	1,600,000	1,600,000
Antony Worth	-	-	1,500,000	1,500,000	1,500,000
Robert Stuart	-	-	3,900,000	3,900,000	3,900,000

2020	Balance at 1 July 2019 No.	Granted as compensation No.	Net other Change No.	Balance at 30 June 2020 No.	Balance held Nominally No.
Mark Stewart	-	-	-	-	-
Antony Worth	-	-	-	-	-
Robert Stuart	-	-	-	-	-
Brian Rodan[1]	-	-	-	-	-

[1] Resigned 6 April 2020.

Each option converts into one ordinary share of Desert Metals Limited.

This is the end of the audited remuneration report.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors

Mr Robert Stuart
Managing Director
Dated this 28th day of September 2021

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Desert Metals Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 28th day of September 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DESERT METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Desert Metals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>

Capitalised Exploration and Evaluation Costs

As disclosed in note 10 to the financial statements, the Group has incurred significant exploration and evaluation expenditures which have been capitalised in accordance with the requirement of Exploration for and Evaluation of Mineral Resources (AASB 6). As at 30 June 2021, the Group's capitalised exploration and evaluation costs are carried at $1,770,569.

The recognition and recoverability of the capitalised exploration and evaluation costs was considered a key audit matter due to:

- The carrying value of capitalised exploration and evaluation costs represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and
- Determining whether impairment indicators exist involves significant judgement by management.

Note 3.6 and 10 to the financial statements contain the accounting policy and disclosures in relation to exploration and evaluation expenditures.

</td><td>

Our audit procedures included but were not limited to:

- Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6");
- Confirming rights to tenure for a sample of tenements held and confirming rights to tenure on tenements nearing expiry will be renewed;
- Testing the Group's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6;
- By testing the status of the Group's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs:
    - The licenses for the rights to explore expiring in the near future or are not expected to be renewed;
    - Substantive expenditure for further exploration in the area of interest is not budgeted or planned;
    - Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources;
    - Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to

</td></tr>
</table>

Key Audit Matter	How our audit addressed the Key Audit Matter
	be recorded in full from successful development or sale; and • Assessing the appropriateness of the related disclosures in the financial statements.
Accounting for share based payments As disclosed in note 24 to the financial statements, during the year ended 30 June 2021 the Company incurred share based payments of $640,995 of which $554,865 was recognised in the profit and loss and $85,965 was recognised as capital raising costs within equity. Share based payments are considered to be a key audit matter due to - the value of the transactions; - the complexities involved in the recognition and measurement of these instruments; and - the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and • Assessing the adequacy of the disclosures included in Note 24 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3.1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 28th day of September 2021

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3.1 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2021 and performance of the Company for the year ended on that date; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

Mr Robert Stuart
Managing Director
Dated this 28th day of September 2021

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 $	Restated* 2020 $
Continuing operations			
Revenue		-	-
Compliance costs	6	(110,608)	(1,350)
Depreciation	11	(8,996)	(435)
Directors' fees		(142,770)	-
Impairment of intangibles		(13,850)	-
Information technology costs		(5,620)	(1,044)
Occupancy costs		(17,416)	-
Professional fees		(255,534)	(31,441)
Share based payments	24	(554,865)	-
Travel costs		(11,281)	(2,374)
Administrative expenses	6	(79,780)	(7,619)
Loss before tax		(1,200,451)	(44,263)
Income tax benefit	7	-	-
Net loss for the year		**(1,200,451)**	**(44,263)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(1,200,451)**	**(44,263)**
Loss per share:			
Basic and diluted (cents per share)	8	(2.86)	(0.61)

* Refer to Note 12

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Note	2021 $	Restated* 2020 $
Current Assets			
Cash and cash equivalents	18	3,710,144	296,957
Receivables	9	107,947	1,647
Total Current Assets		**3,818,091**	**298,604**
Non-Current Assets			
Exploration and evaluation expenditure	10	1,770,569	137,186
Property, plant and equipment	11	134,179	-
Total Non-Current Assets		**1,904,748**	**137,186**
Total Assets		**5,722,839**	**435,790**
Current Liabilities			
Trade and other payables	14	274,331	14,862
Total Current Liabilities		**274,331**	**14,862**
Total Liabilities		**274,331**	**14,862**
Net Assets		**5,448,508**	**420,929**
Equity			
Issued capital	15	6,102,035	515,000
Reserves	23	640,995	-
Accumulated losses		(1,294,522)	(94,071)
Total Equity		**5,448,508**	**420,929**

* Refer to Note 12

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 30 June 2021

	Issued Capital	Share Options Reserves	Accumulated Losses	Total
	$	$	$	$
Balance as at 1 July 2019	265,000	-	(49,808)	215,192
Loss for the year	-	-	(44,263)	(44,263)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(44,263)**	**(44,263)**
Transactions with owners, directly in equity				
Share application funds received	250,000	-	-	250,000
Balance at 30 June 2020	**515,000**	**-**	**(94,071)**	**420,929**
Balance as at 1 July 2020	515,000	-	(94,071)	420,929
Loss for the year	-	-	(1,200,451)	(1,200,451)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(1,200,451)**	**(1,200,451)**
Transactions with owners, directly in equity				
Share application funds received	6,000,000	-	-	6,000,000
Option application funds received	-	165	-	165
Issue of options as share-based payments	-	640,830	-	640,830
Share issue costs	(412,965)	-	-	(412,965)
Balance at 30 June 2021	**6,102,035**	**640,995**	**(1,294,522)**	**5,448,508**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 $	Restated* 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(478,566)	(33,564)
Net cash used in operating activities		**(478,566)**	**(33,564)**
Cash flows from investing activities			
Payments for exploration and evaluation activities		(1,571,001)	(33,500)
Payments for property, plant and equipment		(124,446)	-
Net cash used in investing activities		**(1,695,447)**	**(33,500)**
Cash flows from financing activities			
Proceeds from issue of shares		6,000,165	250,000
Payments for share issue costs		(412,965)	-
Net cash provided from financing activities		**5,587,200**	**250,000**
Net increase in cash held		**3,413,187**	**182,936**
Cash and cash equivalents at the beginning of the year		296,957	114,021
Cash and cash equivalents at the end of the year	**18**	**3,710,144**	**296,957**

* Refer to Note 12

The statement of cash flow is to be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 30 June 2021

1. General information

Desert Metals Limited (or the "Company") is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. The addresses of its registered office and principal place of business are disclosed in the corporate directory to the annual report.

A description of the nature of operations and principal activities of the Company is included in the Directors' Report.

2. Application of new and revised Accounting Standards

Amendments to AASBs and new Interpretations that are mandatorily effective for the current year

Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions

AASB 2020-4: Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards - Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards - Definition of Material

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the Australian Accounting Standard Board (AASB).

Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards - Interest Rate Benchmark

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards - References to the Conceptual Framework

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3. Summary of significant accounting policies

3.1 Statement of compliance

These financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and other authoritative pronouncements of the AASB.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 28 September 2021.

3. Summary of significant accounting policies (cont'd)

3.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Going Concern Basis

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2021, the Company incurred a loss after tax of $1,200,451 (2020: $44,263), and a net cash outflow from operations of $478,566 (2020: $33,564). At 30 June 2021, the Company had working capital of $3,543,760 (2020: working capital of $283,742) and no non-current liabilities (2020: Nil). As at 30 June 2021, the Company had a cash balance of $3,710,144.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate. The Company's ability to continue as a going concern and pay its debts as and when they fall due, given the Company's intended operational plans, assumes active management of the current level of discretionary expenditure in line with the funds available to the Company.

The Company is aware that there is a high level of uncertainty in the market and in the exploration sector due to the ongoing impact of the COVID-19 pandemic. Desert Metals Limited will continue to monitor the changing situation, however the Company does not believe this should adversely affect the ability to raise funds if and when required.

3.4 Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accrued to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

3. Summary of significant accounting policies (cont'd)
3.5 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

3.5.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.5.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

3.6 Exploration and evaluation expenditure

The group previously accounted for exploration and evaluation expenditure by assessing separately each "area of interest". Each area of interest is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit. Exploration and evaluation costs (including acquisition costs) were written off in the year they were incurred.

3. Summary of significant accounting policies (cont'd)
3.6 Exploration and evaluation expenditure (cont'd)

The group now accounts for exploration and evaluation expenditure by applying the following policy.

Exploration and evaluation costs represent intangible assets. Exploration, evaluation and development costs, and acquisition costs related to an area of interest are capitalised in the Statement of Financial Position and carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the areas of interest are continuing.

Capitalised costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. "The effects of this change in accounting policy on prior years are set out in Note 12."

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for restoration costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed.

3.7 Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit and loss as incurred.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. Summary of significant accounting policies (cont'd)
3.8 Provisions (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.9 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument.

Financials instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

3.9.1 Financial Assets
3.9.1.1 Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss (FVPL)):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

3.9.1.2 Financial assets at fair value through other comprehensive income (Equity instruments)

The Company measures debt instruments at fair value through Other Comprehensive Income (OCI) if both of the following conditions are met:
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

3. Summary of significant accounting policies (cont'd)

3.9 Financial instruments (cont'd)

3.9.1 Financial Assets (cont'd)

3.9.1.2 Financial assets at fair value through other comprehensive income (Equity instruments) (cont'd)

For debt instruments at fair value through OCI, interest income, and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Company entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

3.9.1.3 Financial assets at fair value through profit or loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

3.9.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVPL' or 'other financial liabilities'.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

3.9.3 Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3. Summary of significant accounting policies (cont'd)
3.10 Comparative amounts

When current period balances have been classified differently within current period disclosures when compared to prior periods, comparative disclosures have been restated to ensure consistency of presentation between periods. Refer to Note 12 for information regarding the restatement of comparatives for the 2020 financial year.

3.11 Government Grant

An unconditional government grant is recognised in the statement of profit or loss as other income when the grant becomes receivable. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Research and development tax incentives are recognised in the statement of profit or loss as other income when received or when the amount to be received can be reliably estimated.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Impairment of exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

Share-based payments

Fair value is measured by the use of Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses when management considers that it is probable that future taxable profits will be available to utilise those assets.

5. Segment information

The Company operates in the mineral exploration industry. AASB 8 "Operating Segments" states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. None of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately.

5. Segment information (cont'd)
The Company has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Company as a whole and are set out in the statement of profit and loss and other comprehensive income. The segment assets and liabilities are those of the Company and set out in the statement of financial position.

6. Loss for the year

Loss for the year has been arrived at after charging the following items of expenses:	2021 $	2020 $
Administration costs:		
Promotional and meeting expenses	1,102	-
Insurance	32,537	7,160
Postage, Printing and Stationery	11,287	-
Superannuation	13,563	-
Admin Fees	14,475	-
Other	6,816	459
Total administration costs	79,780	7,619
Compliance costs:		
ASX expenses	96,134	-
Share registry expenses	8,737	-
ASIC expenses	5,737	1,350
Total compliance costs	110,608	1,350

7. Income taxes relating to continuing operations
7.1 Income tax recognised in profit or loss

	2021 $	2020 $
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2021 $	Restated* 2020 $
Loss before tax from continuing operations	(1,200,451)	(44,263)
Income tax expense calculated at 26.0% (2020: 27.5%)	(312,117)	(12,172)
Effect of expenses that are not deductible in determining taxable loss	126,784	9,213
Effect of deductible capitalised expenditure	(3,601)	(9,213)
Correction from previous year tax calculation		
Effect of unused tax losses not recognised as deferred tax assets	188,934	12,172
	-	-

* Refer to Note 12

The tax rate used for the 2021 reconciliation above is the corporate tax rate of 26.0% (2020: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

7. Income taxes relating to continuing operations (cont'd)

7.2 Unrecognised deferred tax assets

	2021 $	2020 $
Unused revenue tax losses for which no deferred tax assets have been recognised (at 26.0%) (2020: 27.5%)	238,467	49,533

This benefit from tax losses totaling $917,181 (2020: $190,512) will only be obtained if the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised and complies with the conditions for deductibility imposed by tax legislation.

8. Loss per share

	2021 cents per share	2020 cents per share
Basic and diluted loss per share	(2.86)	(0.61)

8.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2021 $	Restated* 2020 $
Loss for the year attributable to owners of the Company	(1,200,451)	(44,263)

	2021 No.	2020 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	42,013,699	19,037,671

9. Trade, other receivables and prepayments

	2021 $	2020 $
Prepayments	15,313	-
Other receivables	92,634	1,647
	107,947	1,647

At the reporting date, none of the receivables were past due/impaired.

10. Exploration and evaluation expenditure

	2021 $	Restated* 2020 $
Brought forward exploration and evaluation expenditure	137,186	103,686
Expenditure incurred during the year	1,633,383	33,500
Carried forward exploration and evaluation expenditure	1,770,569	137,186

* Refer to Note 12

11. Property, plant and equipment

Carrying amounts of	2021 $	2020 $
Plant and Equipment	39,307	-
Computer Equipment and Software	43,557	-
Motor Vehicles	51,315	-
	134,179	-

30 June 2021	Plant & Equipment $	Computer Equipment & Software $	Motor Vehicles $	Total $
Cost or deemed cost				
Balance at 1 July 2020	435	-	-	435
Additions	39,828	49,428	53,919	143,175
Balance at 30 June 2021	**40,263**	**49,428**	**53,919**	**143,610**
Depreciation				
Balance at 1 July 2020	435	-	-	435
Depreciation for the year	521	5,871	2,604	8,996
Balance at 30 June 2021	**956**	**5,871**	**2,604**	**9,431**
Carrying amounts				
at 1 July 2020	**-**	**-**	**-**	**-**
at 30 June 2021	**39,307**	**43,557**	**51,315**	**134,179**

12. Change in Accounting Policy

On 27 July 2021 the Company resolved to change its accounting policy in relation to the treatment of exploration and evaluation expenditure as outlined in note 3.6. As a result of this change the Company has restated various items in the statement of profit or loss and other comprehensive income and the statement of financial position for the relevant comparative period as summarised in the following tables.

	Exploration Expenses
2018	3,207
2019	100,479
2020	33,500
Total	137,186

Statement of profit or loss and other comprehensive Income For the year-ended 30 June 2018	Prior $	Adjustment $	Restated $
Professional fees	3,217	(3,207)	10
Net loss for the year	(8,125)	3,207	(4,918)
Total comprehensive loss	(8,125)	3,207	(4,918)

12. Change in Accounting Policy (cont'd)

Statement of profit or loss and other comprehensive Income For the year-ended 30 June 2019	Prior $	Adjustment $	Restated $
Professional fees	43,155	(15,789)	27,366
Acquisition costs	84,690	(84,690)	-
Net loss for the year	(145,369)	100,479	(44,890)
Total comprehensive loss	(145,369)	100,479	(44,890)

Statement of profit or loss and other comprehensive Income For the year-ended 30 June 2020	Prior $	Adjustment $	Restated $
Professional fees	48,185	(16,744)	31,441
Acquisition costs	15,506	(15,506)	-
Survey costs	1,250	(1,250)	-
Net loss for the year	(77,763)	33,500	(44,263)
Total comprehensive loss	(77,763)	33,500	(44,263)

Statement of Financial Position As at 30 June 2020	Prior $	Adjustment $	Restated $
Exploration and evaluation expenditures	-	137,186	137,186
Total non-current assets	-	137,186	137,186
Total assets	298,604	137,186	435,790
Net assets	283,742	137,186	420,928
Accumulated losses	(231,258)	137,186	(94,072)
Total Equity	283,742	137,186	420,929

13. Commitments for expenditure

Exploration expenditure on granted tenements

	2021 $	2020 $
Not longer than one year	639,958	-
Two to five years	2,036,870	-
	2,676,828	-

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirements but may reduce these at any time by reducing the size of the tenements. The figures quoted above assume that no new tenements are granted and that only compulsory statutory area reductions are made.

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out exploration rights to third parties will reduce or extinguish these obligations.

14. Trade and other payables

	2021 $	2020 $
Trade and other payables	262,331	12,362
Accrued expenses	12,000	2,500
	274,331	14,862

14. Trade and other payables (cont'd)

The related party transactions and its outstanding balances includes the following:

	2021 $	2020 $
Fathom Geophysics Australia Pty Ltd[1]	32,450	-

[1] Robert Stuart is a director of Fathom Geophysics Australia Pty Ltd

15. Issued capital

	2021 $	2020 $
55,000,000 fully paid ordinary shares (30 June 2020: 20,000,000)	6,102,035	515,000

Fully paid ordinary shares	2021		2020	
	No.	$	No.	$
Balance at beginning of year	20,000,000	515,000	18,750,000	265,000
Issue of shares (i)	10,000,000	1,000,000	-	-
Issue of shares (ii)	25,000,000	5,000,000	-	-
Issue of shares (iii)	-	-	1,250,000	250,000
Share issue costs	-	(412,965)	-	-
	55,000,000	6,102,035	20,000,000	515,000

(i) Issue of fully paid ordinary shares at $0.10 each on 2 November 2020 pursuant to a placement to sophisticated investors in the Company.

(ii) Issue of fully paid ordinary shares at $0.20 each on 11 December 2020 pursuant to an introductory Public Offer and Placement.

(iii) Issue of fully paid ordinary shares for $250,000. The Company does not have a limited amount of authorised capital and issued shares did not have a par value during financial year ended 30 June 2020.

16. Financial Instruments

16.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

Given the nature of the business, the Company monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Company's approach to capital management during the year.

16.2 Categories of financial instruments

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	3,710,144	296,957
Trade and other receivables (non-interest bearing)	107,947	1,647
	3,818,091	298,604

16. Financial Instruments (cont'd)
16.2 Categories of financial instruments (cont'd)

Financial liabilities		
Trade and other payables (non-interest bearing)	274,331	14,862
Net financial assets	3,543,760	283,742

The carrying value of the above financial instruments approximates their fair values

16.3 Financial risk management objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Company where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

16.4 Market risk

Market risk for the Company arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see 16.5 below).

16.5 Interest rate risk management

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Company does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Company, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end on the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended 30 June 2021 would decrease/increase by $37,101 (2020: $2,970).

16. Financial Instruments (cont'd)
16.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

16.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

			Contractual cash flows			
	Carrying Amount $	Less than 1 month $	1 - 3 months $	3 - 12 months $	1 year to 5 years $	Total contractual cash flows $
2021						
Trade and other payables	274,331	256,598	17,733	-	-	274,331
2020						
Trade and other payables	14,862	14,862	-	-	-	14,862

17. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company, are considered key management personnel.

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2021 $	2020 $
Short-term employee benefits	142,350	-
Share-based payment	-	-
	142,350	-

Short-term employee benefits

These amounts include fees paid to non-executive and executive directors and also include fees paid to entities controlled by the directors. The compensation of each member of the key management personnel of the Company's is set out in the remuneration report on page 7.

18. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2021 $	2020 $
Cash and bank balances	3,710,144	296,957

18.1 Reconciliation of loss for the year to net cash flows from operating activities

	2021 $	Restated* 2020 $
Cash flow from operating activities		
Loss for the year	(1,200,451)	(44,263)
Adjustments for:		
Impairment of intangibles	13,850	-
Share based payments for consulting services	554,865	-
Movements in working capital		
(Increase) in trade, other receivables and prepayments	(106,300)	(1,066)
Decrease in trade and other payables	259,470	11,765
Net cash flow from operating activities	(478,566)	(33,564)

* Refer to Note 12

Non-cash financing activities

There were no non-cash financing or investing activities during the year.

19. Contingent liabilities and contingent assets

The directors are not aware of any other contingencies at balance date.

20. Remuneration of auditors

	2021 $	2020 $
Audit and review of financial reports	21,000	2,700

The auditor of the Company is Hall Chadwick WA Audit Pty Ltd (previously known as Bentleys Audit & Corporate (WA) Pty Ltd).

21. Events after the reporting period

On 7 July 2021 Mr Keith Murray was appointed as an independent Non-Executive Director of the Company.

22. Commitments and contingencies

There were no material commitments or contingencies at the reporting date for the Company.

23. Options

23.1 The following options were on issue at the reporting date:

Options	Number	Grant date	Grant date Fair value $	Exercise price $	Expiry date	Vesting date
DM1EOPT1	10,650,000	7 Oct 2020	0.0521	0.3000	31 Oct 2023	7 Oct 2020
DM1EOPT2	1,650,000	12 Nov 2020	0.0521	0.3000	12 Nov 2023	12 Nov 2020

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

	Series DMEOPT1	Series DMEOPT2
Dividend yield (%)	-	-
Expected volatility (%)	120.00%	120.00%
Risk-free interest rate (%)	0.13%	0.13%
Expected life of options (years)	3	3
Exercise price (cents)	.30	.30
Grant date share price (cents)	.10	.10

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

23.2 Options granted during the year

Unlisted options	2021		2020	
	No.	$	No.	$
Balance at beginning of year	-	-	-	-
Issue of options(i)	7,000,000	364,700	-	-
Issue of options(ii)	2,000,000	104,200	-	-
Issue of options(iii)	1,650,000	85,965	-	-
Issue of options(iv)	-	165	-	-
Issue of options(v)	1,650,000	85,965	-	-
	12,300,000	**640,995**	**-**	**-**

The following options were granted during the year ended 30 June 2021:

(i) This represents the value attributed to 7,000,000 unlisted options exercisable at $0.300 issued to Directors of the Company.

(ii) This represents the value attributed to 2,000,000 unlisted options exercisable at $0.300 issued to shareholders of the Company pursuant to options offer letters dated 27 October 2020.

(iii) This represents the value attributed to 1,650,000 unlisted options exercisable at $0.300 issued to various advisers to the IPO for corporate advisory services.

(iv) This represents the cash received in relation to options issued to the advisers to the IPO.

(v) This represents the value attributed to 1,650,000 unlisted options issued to Morgans Corporate Limited pursuant to the lead manager mandate.

23.3. Share options exercised during the year

No share options were exercised during the year (2020: Nil).

24. Share Based Payments

Options granted during the year detailed in Note 23.2 as Share-Based Payments are as follows;

	2021 $	2020 $
Total share-based payments for the year	640,830	-
Share-based payments recognised as capital raising costs	(85,965)	-
Share-based payments expense	554,865	-

25. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021.

ASX Additional Information as at 21 September 2021

Ordinary share capital
55,000,000 fully paid ordinary shares are held by 874 shareholders.

Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options
10,650,000 unlisted $0.30 options expiring 31 October 2023 are held by 11 option holders.

[Distribution of holdings]

Category (size of holding)	Number of unlisted options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	10,650,000	11	100.000
	10,650,000	**11**	**100.000**

As required under listing rule under ASX listing rule 4.10.16, no shareholder holds over 20% of this class of options.

The holder is:
Fathom Geophysics Australia Pty Ltd

1,650,000 unlisted $0.30 options expiring 12 November 2023 are held by 1 option holder.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	1,650,000	1	0.000
	1,650,000	**1**	**100.000**

Under listing rule under ASX listing rule 4.10.16, 3 holders hold in excess of 20% of the options on issue.

The holder is:
Berne No. 132 Nominees Pty Ltd

Unmarketable parcels
There are 91 shareholdings held in less than the marketable parcels.

Substantial shareholders
Mr Brian Rodan lodged a substantial shareholder notice on 23 December 2020 containing holdings of 10,920,000 fully paid ordinary shares with voting power (at the time) of 19.85%.

Restricted securities
The Company has no restricted securities on issue.

On-Market buy-back
There is no current on-market buy-back.

Twenty (20) largest shareholders - fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
Redland Plains Pty Ltd	6,195,866	11.27
Fathom Geophysics Australia Pty Ltd	5,200,000	9.45
Dr Robert Angus Castle Stuart	5,160,000	9.38
West Coast Geoscience Pty Ltd	5,100,000	9.27
Redland Plains Pty Ltd	3,850,000	7.00
BNP Paribas Nominees Pty Ltd	2,162,748	3.93
Kingarth Pty Ltd	1,079,980	1.96
CSB Investments (WA) Pty Ltd	1,000,000	1.82
Mr Kenneth Joseph Hall	500,000	0.91
Mine Maintenance Management Pty Ltd	500,000	0.91
HS Superannuation Pty Ltd	337,390	0.61
Mr Charles Robert Todd & Ms Andrea Michelle Treble	329,000	0.60
Gladstone Mining (WA) Pty Ltd	325,000	0.59
Ms Bronwyn Bergin	325,000	0.59
Mr Philip David Reese	319,199	0.58
BNP Paribas Nominees Pty Ltd	274,543	0.50
Howard-Smith Investments Pty Ltd	255,017	0.46
Mr Paul Phillip Carter	250,000	0.45
Horley Pty Ltd	250,000	0.45
M E J C Pty Ltd	250,000	0.45
Carrington Capital Group Pty Ltd	250,000	0.45
Bald Wingnut Pty Ltd	250,000	0.45
Mr Paul Anthony Heatley & Mrs Jeanette Blake-Heatley	227,367	0.41
G S Milling & S M Milling	225,000	0.41
GH AL & AT Bremner Produce Pty Ltd	222,000	0.40
Rossdale Superannuation Pty Ltd	210,000	0.38
	35,048,110	**63.72**

Schedule of tenements held at balance sheet date

Location	Tenement ID	Type	Ownership	Titleholder
Western Australia	E 0902303	LIVE	100%	Desert Metals Limited
Western Australia	E 0902330	LIVE	100%	Desert Metals Limited
Western Australia	E 0902331	LIVE	100%	Desert Metals Limited
Western Australia	E 0902351	LIVE	100%	Desert Metals Limited
Western Australia	E 5101901	LIVE	100%	Desert Metals Limited
Western Australia	E 5101907	LIVE	100%	Desert Metals Limited
Western Australia	E 5203650	LIVE	100%	Desert Metals Limited
Western Australia	E 5203665	LIVE	100%	Desert Metals Limited
Western Australia	E 5203741	LIVE	100%	Desert Metals Limited