DESERT METALS Limited

2024

Annual Report

DESERT METALS LIMITED

ACN: 617 947 172

Corporate Directory

Board of Directors

Mr Mark Robert Stewart	Non-Executive Chairman
Mr Stephen Michael Ross	Managing Director
Mr Patrick John Flint	Non-Executive Director
Ms Fatou Sylla Gueye	Non-Executive Director

Company Secretary

Mr Paul Jurman

Registered and Principal Office

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Facsimile: +61 8 9380 6761

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Website

www.desertmetals.com.au

ASX Code

DM1
DM1O

Auditors

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283 Rokeby Road
Subiaco Western Australia 6008
Tel: +61 8 9426 0666

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
Perth Western Australia 6000
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Stock Exchange

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

Contents

Review of Operations

Desert Metals Limited (Desert Metals or the Company) has had a very busy 2024 financial year with the acquisition and commencement of exploration on an exciting portfolio of gold and lithium projects in Côte d'Ivoire. Desert Metals also completed a $3.75 million capital raising with CPS Capital Group to fund its ongoing exploration programs across its projects, along with Board and management changes that bring considerable expertise and experience in the West African gold sector to the board of the Company.

The Côte d'Ivoire portfolio comprises seven gold and lithium projects covering 2,769km², including:

- The **Adzope project**, where extensive and broad alluvial gold mineralisation has been observed across a +2km² area in the northeast section of the permit. Five artisanal pits exploiting oxidised primary weathered and in-situ gold mineralisation developed on multiple, parallel, steeply-east-dipping and northeast-trending gold-bearing quartz veins approximately 120m wide have been identified in this highly prospective northeastern area.

  Exploration at the Adzope gold project commenced in September 2024 with ground geophysics, channel sampling of artisanal pits, and soil sampling programs. These programs, particularly the ground geophysics, will assist in defining gold targets for drill testing in October 2024.

- The **Tengrela South project**, where historic exploration has identified a number of mineralised gold prospects. A recent soil sampling program in the northern area of the permit has identified two distinct, parallel, north-south +100ppb gold anomalies; being the 3.6km western Tiogo anomaly and the 2.1km long eastern Kakologo anomaly. An aircore drilling program across these priority targets is planned for early 2025.

With multiple sampling and drilling programs planned and record gold prices, optimism is high for an exciting year ahead.

CÔTE D'IVOIRE PROJECTS

In January 2024, Desert Metals completed the 100% acquisition of Côte d'Ivoire gold and lithium explorer CDI Resources Limited (CDI), as reported in Desert Metals ASX Announcement dated 22 January 2024. CDI holds interests, and has the rights to earn majority interests, in seven gold and lithium projects covering 2,769km² of granted mineral permits and permit applications in Côte d'Ivoire under low-cost joint venture arrangements.

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

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

At Adzope, Desert Metals is targeting high-grade gold mineralisation within hydrothermal veins associated with shear-zones at the Adzope gold project.

The Adzope gold project is 90km north-northeast of the capital city of Abidjan in the department of Lagunes in southern Côte d'Ivoire, and is accessible all year round via a well-maintained national highway. Adzope is within the Comoé Basin, consisting of Birimian metasediments with intrusions of granitoids. Gold mineralisation is characterised by hydrothermal veins associated with shear-zones, and three generations of quartz veins have been identified for potential gold mineralisation.

Following the acquisition, Desert Metals' geological team conducted initial reconnaissance visits to the Adzope gold project. Extensive and broad alluvial gold mineralisation has been observed in a +2km long sequence covering an area of over 2.1km² in the northeast section of the permit and this area will be the focus of initial exploration. See Figure 1. The reconnaissance team also observed five artisanal pits exploiting oxidised primary weathered and in-situ gold mineralisation developed on multiple, parallel, steeply-east-dipping and northeast-trending gold-bearing quartz veins approximately 120m wide. See Figure 2.

In July 2024, Desert Metals announced that the Adzope exploration permit PR0960 covering ~230km² was granted to joint venture partner Ivorian company African Ressources SARL, allowing for the commencement of systematic exploration using modern techniques for the first time.

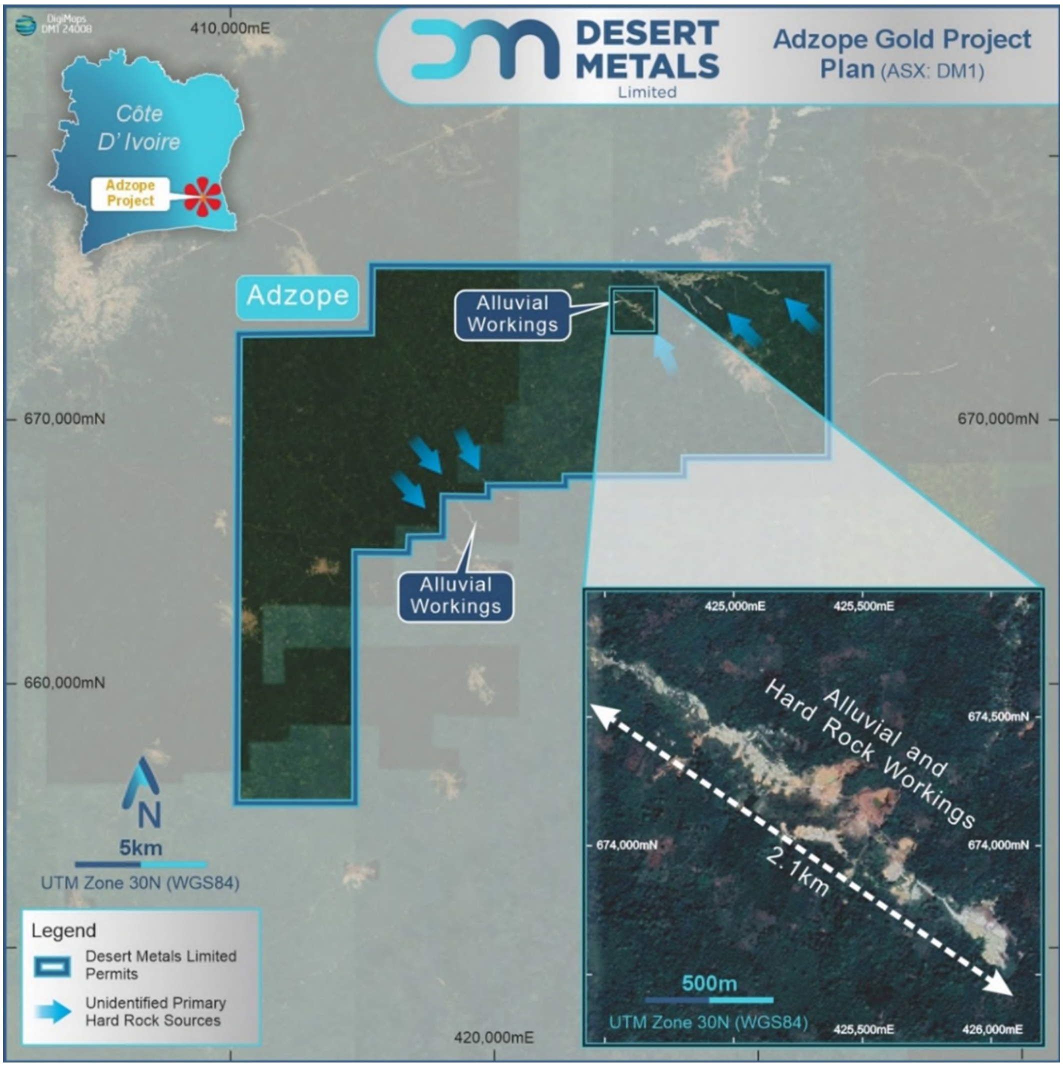

Figure 1: Adzope Gold Project and Artisanal Workings

Desert Metals completed community consultation and commenced a program of ground geophysics, channel sampling and soil sampling in September 2024. See Figure 3. Primary targets identified are planned to be tested by aircore, RC or diamond drilling in October 2024.

Mineral exploration has never been undertaken at the Adzope gold project, and Desert Metals believes the project has the potential to host significant gold mineralisation.

Figure 2: Adzope Artisanal Pit

Figure 3: Adzope Community Consultation – presentation of the decree

Tengrela South Gold and Lithium Project PR-683 (DM1 51%, earning 80%)

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

The Tengrela South project area is located in the far north of Côte d'Ivoire and within the northern portion of the gold-prolific Syama-Boundiali Greenstone Belt that hosts numerous multi-million-ounce gold deposits including Sissingué (1.5Moz), Syama (11Moz) and Tongon (4.5Moz).

Also Tengrela South is only ~25km south of the Sissingué gold mine operated by Perseus Mining Limited (ASX:PRU) and ~30km north of the Boundiali gold project held by Aurum Resources Limited (ASX:AUE).

Historical work completed at Tengrela South by various parties, including Randgold, Perseus Mining Limited and Exore Limited, includes soil geochemical sampling, airborne geophysical surveys, rotary air blast (RAB), reverse circulation (RC), and diamond drilling. More than 55,000m of drilling has been completed from 2010 to date over five prospects, including the Podio, Logbog, and the Zaguinasso prospects.

Tiogo and Kakologo Gold Prospects

In June and July 2024 Desert Metals completed a soil sampling program at the Tiogo and Kakologo prospects in the northern area of the Tengrela South project. A total of 1,646 soil samples were collected over 18km² to test the historical, wide-spaced, gold-in-soil auger anomaly previously defined at Tiogo and Kakologo, and to define areas for drill testing.

The soil sampling results returned two distinct, parallel, north-south +100ppb gold anomalies; being the 3.6km western Tiogo anomaly and the 2.1km long eastern Kakologo anomaly. These +3km and +2km parallel gold corridors highlight the north-south structures that typically host gold mineralisation in this Birimian gold belt. Soil sampling also returned 16 high-grade results over 1.0g/t (1,000pbb) gold with peak soil assays of 32.7g/t gold, 12.6g/t gold and 7.84g/t gold.

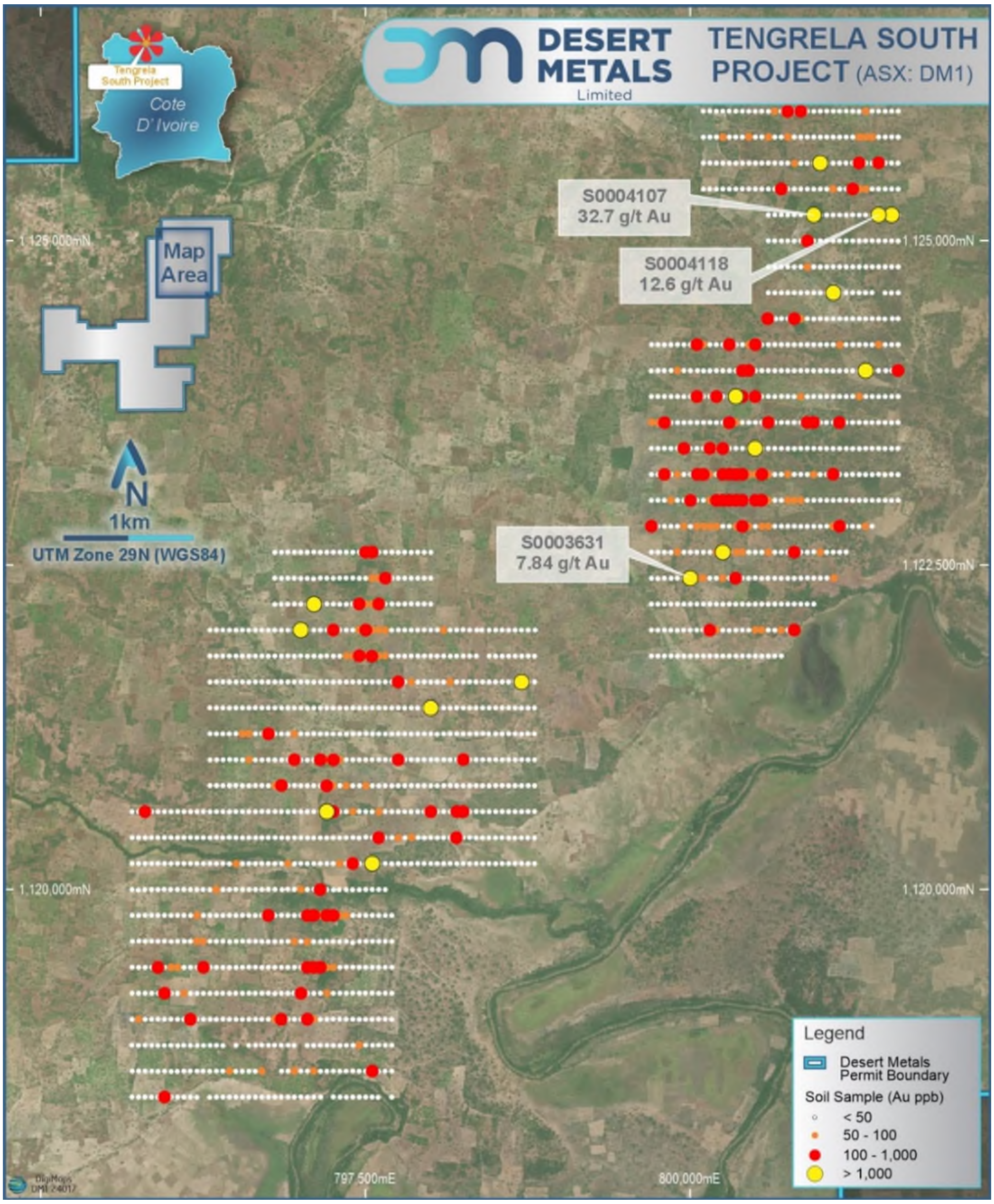

Figure 4: Tiogo and Kakologo Soil Sample Results

Remaining pulp samples from the laboratory have been assayed by portable X-ray fluorescence (pXRF) to help understand the distribution of gold pathfinder elements, such as arsenic, and the bedrock geology. Following the analysis of these assays, Desert Metals plans to commence an aircore drilling program across the priority targets in Q1 2025.

Desert Metals considers the Tiogo and Kakologo prospects have the potential to host further gold mineralisation that is comparable to other gold deposits hosted in the Syama-Boundiali Greenstone Belt.

Podio Gold Prospect Tengrela South, Côte d'Ivoire

The Podio gold prospect is located in the central southern area of the Tengrela South project. Previous exploration at Podio identified a clear 2km-long mineralised trend, including multiple shallow significant gold drill intercepts as reported in Desert Metals ASX Announcement dated 5 July 2024, which includes a Cautionary Statement on Historical Exploration Results, including the source and date of previous exploration results.

In July 2024 Desert Metals completed reverse circulation (RC) drilling at the Podio prospect. The program comprised 14 RC holes ranging in length from 50m to 220m for a total program of 1,698m to infill and extend previously identified high-grade gold mineralisation in the central-north zone and southern ends of Podio. See Figure 5.

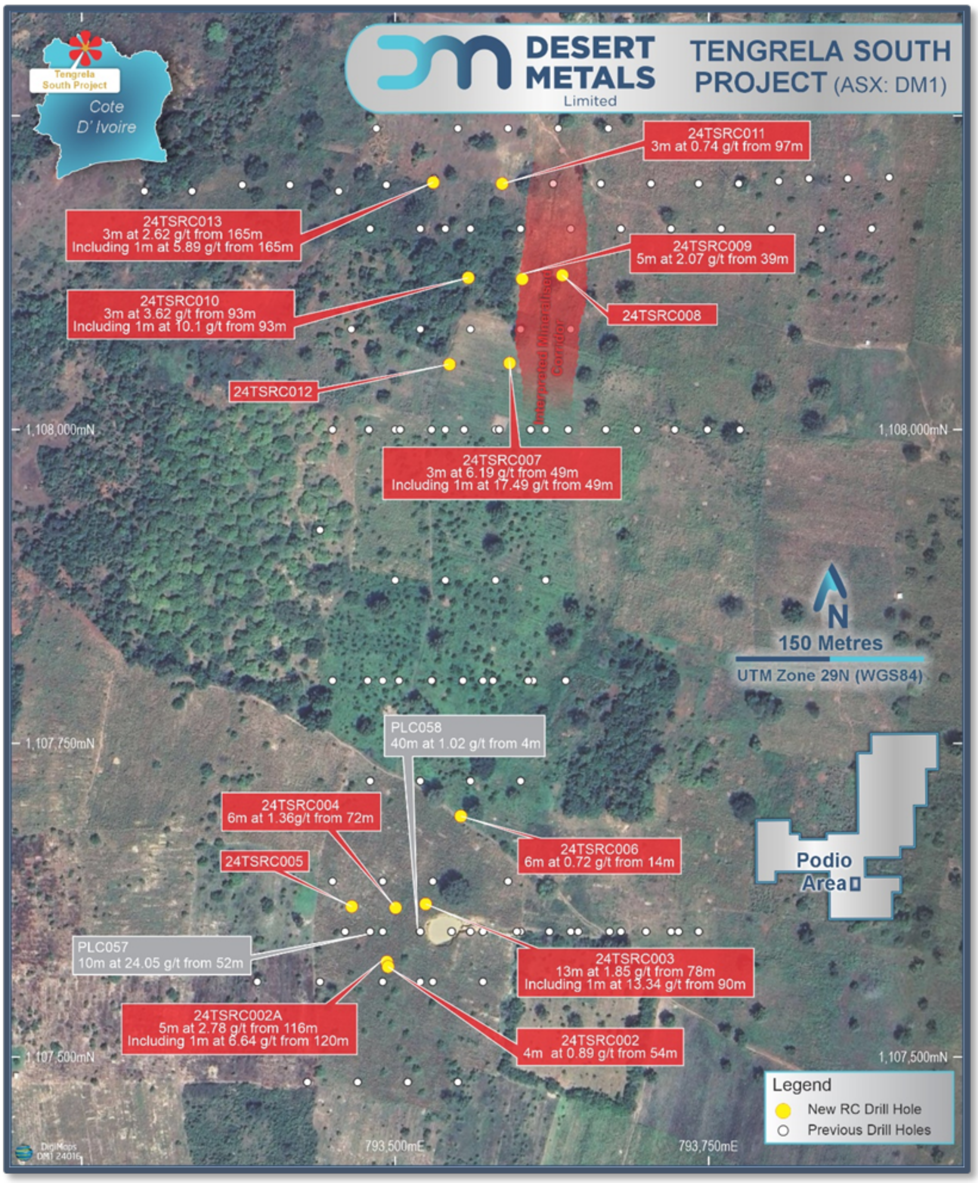

Figure 5: Podio RC Drilling Plan with Results

A total of 11 of the 14 holes drilled intersected significant gold mineralisation, including:

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

The drilling results demonstrated that the gold mineralisation in the stacked quartz veins at Podio is consistent along strike to the south. The next phase of exploration at Podio is currently being planned, including the potential for the estimation of a Mineral Resource compliant with the JORC Code.

WEST AUSTRALIAN (WA) PROJECTS

Exploration Activities

Exploration activities during the year at the WA Projects included:

- At the Innouendy Project, field reconnaissance was completed to assess the potential for lithium-bearing pegmatites across the project. A number of pegmatite dykes have been found, although as yet no significant amount of spodumene or other lithium-bearing minerals have been positively identified. Rehabilitation of all previous drill sites was also completed during the year and the potential for copper-nickel-PGE mineralisation was identified from over 30km of underexplored (under cover) greenstone belt.
- At the Dingo Pass Project, all previous tracks and drill pads have been rehabilitated. This included the rehabilitation of all tracks and drill pads from the 2022 RC and diamond drilling and the 2023 rare earth element air-core drilling.
- At the Belele gold project rehabilitation of all previous tracks and drill pads of the 2023 aircore drilling program was completed during the year.
- At the Little Gap Well project interpretation of the ground electromagnetic (EM) survey undertaken over a line of historic copper-gold workings was completed during the year.

Strategic Review

In May and June 2024 Desert Metals conducted a strategic review of all its Western Australian assets taking into account previous expenditures, exploration potential, discovery costs, holding costs and access and native title requirements, among other items. In addition, specifically for the rare earth element (REE) targets at both the Dingo Pass and Innouendy projects, the metallurgical challenges associated with large-scale, clay-hosted REE projects, the international pipeline of more advanced REE projects, and the downturn in REE prices were duly noted. For the Little Gap Well, Mt Opal, and Belele gold projects it was considered that their exploration potential for a stand-alone mine was limited.

This strategic review concluded that the likelihood of discovering an economic mineral deposit at the Adzope and Tengrela South projects in Côte d'Ivoire was much higher when compared to the various WA Projects. Given the finite funding available Desert Metals determined it would be appropriate to actively look for joint venture partners or divestment of its WA assets.

CORPORATE

Capital Raising

In January 2024 Desert Metals completed a $3.75 million share and option placement through CPS Capital Group Pty Ltd to fund drilling and exploration in Côte d'Ivoire and continue exploration on its Western Australia assets.

Board and Management Changes

There were a number of Board and management changes during the year in conjunction with and subsequent to the acquisition of the portfolio of gold and lithium projects in Côte d'Ivoire. The new appointments have brought to the Board and management considerable expertise and experience in relation to the West African gold sector. These changes included:

- Mr Stephen Ross joined the Board in January 2024 and was appointed as Managing Director, effective 1 April 2024.
- Mr Patrick Flint was appointed as a Non-Executive Director in April 2024.
- Ms Fatou Gueye was appointed as a Non-Executive Director in August 2024.
- Dr. Robert Stuart stepped down from the Managing Director role effective 1 April 2024 but remained a Non-Executive Director and consultant to the Company, particularly on its Western Australian assets. Post year-end in August 2024, Dr Stuart resigned from the Board.
- Mr Tony Worth and Mr Keith Murray resigned as directors in January 2024.

In addition, in February 2024, Mr Paul Jurman was appointed Company Secretary, replacing Mr Paul Heatley. In May 2024 Dr Rick Tomlinson was appointed Exploration Manager for the Côte d'Ivoire projects.

Dr. Tomlinson is a geologist with 18 years' experience, the last 14 of which have been primarily focussed on gold exploration in west Africa. He has held senior technical positions with juniors, mid-tiers and major mining and exploration companies. He has been involved with discoveries and delivering maiden resources and their subsequent growth.

He holds a Bachelor of Science and Ph.D. in Geology, the latter obtained from the Royal School of Mines, Imperial College London. He is also a member of the Institute of Materials, Minerals and Mining (UK), and is currently based-out of Abidjan, Côte d'Ivoire.

Further details in respect of each of the directors and their experience are set out in the Directors' Report.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Stephen Ross, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ross has a minimum of five years' experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves. Mr Ross is a related party of the Company, being a Director, and holds securities in the Company. Mr Ross has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information relating to Previous Disclosure

This report contains information extracted from previous ASX market announcements reported in accordance with the 2012 JORC Code and is available for viewing at www.desertmetals.com.au.

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

Directors' Report

The Directors of Desert Metals Limited submit herewith the annual financial report of Desert Metals Limited ("Company") and its controlled entities ("Group" or "Consolidated Entity") for the year ended 30 June 2024 and the independent auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the directors of the Company during or since the end of the financial year are as follows. Directors were in office for the entire period unless otherwise stated:

- Mark Robert Stewart (Non-Executive Chairman)
- Stephen Michael Ross (Managing Director) – appointed 19 January 2024
- Patrick John Flint (Non-Executive Director) – appointed 3 April 2024
- Fatou Sylla Gueye (Non-Executive Director) – appointed 6 August 2024
- Robert Angus Castle Stuart (Managing Director) – resigned 6 August 2024
- Antony William Worth (Technical Director) – resigned 19 January 2024
- Keith Charles Murray (Non-Executive Director) – resigned 19 January 2024

Board of Directors

The Company's Directors in office as at 30 June 2024 and up to the date of this report were:

Mr Mark Robert Stewart
Independent Non-Executive Chairman

Mr Stewart 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 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.

Directorships held in other listed entities (last 3 years):

NIL

Mr Stephen Michael Ross

Non-Independent Managing Director

Non-Executive Director from 19 January 2024 to 31 March 2024, Managing Director from 1 April 2024. Mr Ross is a geologist, independent mineral investment consultant, and public company director who has held technical, business development, and corporate positions in the international minerals industry, including in West Africa for over 30 years. Mr. Ross was based in Ghana for many years, where he managed a geological consultancy, and is a former director of West African Resources Limited (ASX: WAF) and Azumah Resources Limited. He is a Fellow of the Financial Services Institute of Australasia, a member of the Australasian Institute of Mining and Metallurgy, and a member of the Australian Institute of Company Directors.

Directorships held in other listed entities (last 3 years):

Trigg Minerals Ltd (appointed 20 June 2023, resigned 29 August 2024)

Summit Minerals Ltd (appointed 17 February 2022, resigned 7 February 2024)

Pinnacle Minerals Ltd (appointed 3 November 2021)

Power Minerals Ltd (appointed 9 July 2021)

East Energy Resources Ltd (resigned 20 December 2021)

Mr Patrick John Flint

Independent Non-Executive Director

Mr Flint joined the Board on 3 April 2024. Mr Flint is a qualified accountant and a member of the Australian Institute of Company Directors. He has been involved in the resources sector for the past 25 years as a director or company secretary of ASX and Toronto Stock Exchange-listed companies with mineral projects in Australia, Africa, and Asia. He has significant experience in managing and administrating publicly listed companies exploring and developing mineral projects in francophone Africa.

Directorships held in other listed entities (last 3 years):

NIL

Ms Fatou Sylla Gueye

Independent Non-Executive Director

Ms Gueye joined the Board on 6 August 2024. Ms. Gueye is the Co-Founder and Director of Sanu Gold Corporation (CSE: SANU | OTCQB: SNGCF) and has extensive experience as a senior executive in financial services, consulting, and mining roles in Australia, the US, and Africa. She helped assemble Sanu Gold's portfolio of gold projects in Guinea and has gained considerable experience in exploration and mining finance, particularly for West African explorers and developers.

Ms. Gueye has an extensive network across government and administration in several West African countries and has provided expert advice to numerous publicly traded and privately held mining and finance companies operating in Africa and Australia.

Directorships held in other listed entities (last 3 years):

Sanu Gold Corporation (appointed 21 October 2021)

Dr Robert Angus Castle Stuart
Non-Independent Managing Director from 29 March 2017 to 31 March 2024,
Non-Executive Director from 1 April 2024 to 6 August 2024

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.

Directorships held in other listed entities (last 3 years):

NIL

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.

Directors	Board Meeting	
	Eligible to attend	Attended
Mark Robert Stewart	5	5
Stephen Michael Ross	3	3
Patrick John Flint	2	2
Robert Angus Castle Stuart	5	5
Antony William Worth	2	2
Keith Charles Murray	2	2

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	-
Stephen Michael Ross	6,400,000	5,000,000
Patrick John Flint	4,400,000	250,000
Fatou Gueye	-	-

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 Jurman
(appointed 5 February 2024)

Mr Jurman is a Certified Practicing Accountant with over 20 years' experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He is also company secretary of ASX listed Carnavale Resources Limited, Platina Resources Limited, Lord Resources Limited and Tempest Minerals Limited.

Mr Jurman is a member of CPA Australia and holds a Bachelor of Commerce.

Mr Paul Heatley
(resigned 5 February 2024)

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.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this Annual Report.

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 $24,475 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 issued during the period

On 16 November 2023 the Company issued 1,250,000 options to the owners of the Little Gap Well and Mt Opal tenements. The terms of these options are set out at Note 21 to the financial statements.

On 19 January 2024 the Company issued 7,500,000 options at $0.0001 to the Lead manager in consideration for lead manager services provided by CPS Capital Group Pty Ltd in relation to the capital raising completed in January 2024. The terms of these options are set out at Note 21 to the financial statements.

On 19 January 2024 the Company issued 57,692,308 free attaching options to investors who participated in the January 2024 capital raising. The terms of these options are set out at Note 21 to the financial statements.

On 22 January 2024 the Company issued 5,000,000 options to Stephen Ross. The terms of these options are set out at Note 21 to the financial statements.

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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to and forms part of this Directors' report.

Non-Audit Services

There have been no non-audit services provided by the Group's auditor during the year ended 30 June 2024.

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.

Operating and Financial Review

Operating Results

The net loss of the Group after tax for the year ended 30 June 2024 was $9,843,781 (2023: $706,374).

The Group is currently engaged in mineral exploration for metals in Australia and Côte d'Ivoire. A review of the Group's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the Group during the year ended 30 June 2024 is provided in this Annual Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Group's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

As an exploration entity, the Group has limited operating revenue or earnings and consequently the Group's performance cannot be gauged by reference to those measures. Instead, the Directors consider the Group's performance based on the success of exploration activity, acquisition of additional prospective mineral interests, joint venture arrangements over mineral interests and, in general, the value added to the Group's mineral portfolio during the course of the financial year.

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Group, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

The Group's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activity on the Group's existing mineral projects, (including through joint venture arrangements where appropriate), identify and assess new mineral project opportunities throughout the world and review development strategies where individual projects have reached a stage that allows for such an assessment. Due to the inherent risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies.

Key Business Risks

The Group is subject to various risk factors. Some of these are specific to its business activities while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of the Group. This is not an exhaustive list of risks faced by the Group or an investment in it. There are other risks generic to the stock market and the world economy as whole and other risks generic to the mining industry, all of which can impact on the Group.

Occupational health and safety risks

The Group seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training, and emergency preparedness.

Exploration risk

Exploration and Mineral Resource development incorporates a high degree of technical and geological risk. The natural endowment of the ground being explored is the limiting factor and there always remains a risk of insufficient natural endowment to make an economic discovery.

Detailed planning of exploration programs, with external consultant input where required, ensures the highest quality exploration targets are tested. The Board approves all exploration programs and budgets to achieve outcomes in the Company's (and shareholders) best interests, with regular reporting provided to the Board of the results of exploration programs.

The Group undertakes business development activities to source new projects for the Group with the objective of acquiring assets with a high potential for exploration success.

Environmental risks

The Group is committed to best practice in environmental management, based upon current community expectations, applicable legislation and regulatory standards, all of which can change over time.

Community and social risks

The Group operates in jurisdictions with varying community, heritage and social laws and cultural practices. Community expectations are continually evolving and are managed through the development of robust strategies, maintaining strong relationships with communities and delivering on commitments.

Cyber Risks

The Group takes a risk-based approach to managing cyber security, with a focus on ensuring good practice across standard processes. The Group utilises tools and services provided by external information technology consultants to actively manage its cyber risks, noting the increasing risk trend in the external environment.

Financial risks

The Group faces risks relating to the cost and access to funds, movement in interest rates and foreign exchange rates (refer to Note 15 to the financial statements). The Group recognises the importance of maintaining a strong balance sheet that enables flexibility to pursue strategic objectives. The Group maintains policies which define appropriate financial controls and governance which seek to ensure financial risks are recognised, managed and recorded in a manner consistent with generally accepted industry practice and governance standards.

Regulatory and compliance risk

New or evolving regulations and international standards are outside the Group's control and are often complex and difficult to predict. The potential development of opportunities can be jeopardised by changes to fiscal or regulatory regimes, adverse changes to tax laws, difficulties in interpreting or complying with local laws, material differences in sustainability standards and practices, or changes to existing political, judicial or administrative policies and changing community expectations.

Security of tenure including licence renewal

The Group's mineral licences are subject to periodic renewal. The renewal of the term of these licences is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Group.

Retention of key staff

As a junior exploration company the Group has a small number of permanent staff. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment.

Capital requirement and lack of future funding

The Group's capital requirements depend on numerous factors. Equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

Business interruption risk

Circumstances may arise which preclude operations at certain sites including natural weather events or disasters, material disruption to the Group's logistics chain, critical plant failure or industrial action.

The Group maintains an insurance program that may offset a portion of the financial impact of a major business interruption event

Corporate

On 8 August 2023 the Company exercised its option to acquire 60% interest in the Little Gap Well and Mount Opal gold projects within the Meekatharra gold district. Consideration for the acquisition was a $50,000 cash payment and issue of 2.5 million fully paid ordinary shares in the Company and 1.25 million options with an exercise price of $0.15 expiring 16 November 2026.

In December 2023, the Company entered into a binding agreement to acquire 100% of Côte d'Ivoire gold and lithium explorer CDI Resources Ltd (CDI) (Acquisition). In consideration for the Acquisition, the Company agreed to issue the shareholders of CDI a total of 75 million fully paid ordinary shares in the capital of the Company (Shares), subject to shareholder approval.

In December 2023, the Company announced it had received commitments for a placement of shares and attaching options to raise $3,750,000 (subject to shareholder approval) ("Placement") to fund drilling and exploration in Côte d'Ivoire and to continue exploration on the Western Australian portfolio. The Placement, comprising of ~115.4 million Placement Shares and 57.7 million Placement Options, was approved by shareholders at an extraordinary general meeting of the Company held on 17 January 2024 to approve the Acquisition and related items of business.

Settlement of the Acquisition occurred on 22 January 2024 after satisfaction of the necessary conditions' precedent.

CPS Capital Group Pty Ltd, who was Lead Manager to the Placement and acts as Corporate Advisor to the Company, was issued 7.5 million options to acquire shares (exercisable at $0.06, on or before 31 December 2026) in part consideration for its services.

Stephen Ross was appointed a Non-Executive Director and Manager of the Côte d'Ivoire projects and Anthony Worth and Keith Murray resigned as directors with effect from the Settlement of the Acquisition.

In February 2024, Paul Jurman was appointed Company Secretary, replacing Paul Heatley.

In April 2024, Stephen Ross was appointed Managing Director, replacing Robert Stuart who moved to a Non-Executive Director role. Patrick Flint was also appointed as a Non-Executive Director.

Matters subsequent to the end of the financial year

In August 2024, the Company advised that Fatou Gueye was appointed a Non-Executive Director and Robert Stuart resigned as a director.

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
- 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:

Directors	Position
Mark Robert Stewart	Non-Executive Chairman
Stephen Ross	Non-Executive Director from 19 January 2024 to 31 March 2024, Managing Director from 1 April 2024
Patrick John Flint	Non-Executive Director from 3 April 2024
Fatou Sylla Gueye	Non-Executive Director from 6 August 2024
Robert Angus Castle Stuart	Managing Director to 31 March 2024, Non-Executive Director from 1 April 2024, resigned 6 August 2024
Antony William Worth	Technical Director resigned 19 January 2024
Keith Charles Murray	Non-Executive Director resigned 19 January 2024

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 in-kind 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 table below shows measures of the Company's financial performance over the last five years as required by the Corporations Act 2001 (Cth). However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	30 June 2024 $	30 June 2023 $	30 June 2021 $	30 June 2020 $	30 June 2019 $
Net loss after tax	(9,843,781)	(706,374)	(567,262)	(1,200,451)	(44,263)
Share price at end of year	0.0200	0.1800	0.1800	0.6500	N/A
Basic/diluted loss per share (cents per share)	(6.211)	(1.029)	(0.990)	(2.857)	N/A

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 2024 are set out in the table below.

Name	Agreement	Base Salary of Fees (p.a)	STIP/LTIP	Consulting per Day	Duration
Mark Stewart	Employment	50,000	-	-	Ongoing
Stephen Ross*	Consulting	299,700	-	-	Ongoing
Patrick Flint	Employment	40,000	-	-	Ongoing
Fatou Gueye	Employment	40,000	-	-	Ongoing
Antony Worth	Employment	40,000	-	$1,200	Ceased 19 January 2024
Robert Stuart	Employment	40,000	-	$1,500	Ceased 06 August 2024
Keith Murray	Employment	40,000	-	-	Ceased 19 January 2024

* Mr Ross is entitled to remuneration of $299,700 per annum, commencing from 1 April 2024. The Agreement may be terminated by either Mr Ross or the Company by providing six months' notice in writing.

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.

2024	Short-term employee benefits		Post-employment benefits	Share based payment		% of remuneration performance related
	Salary & fees $	Consulting fees $	Superannuation $	Options $	Total $	
Directors						
Mark Stewart	50,000	-	5,500	-	55,500	0%
Antony Worth	22,500	85,400	2,475	-	110,375	0%
Robert Stuart	40,000	172,706	4,400	-	217,106	0%
Keith Murray	22,500	-	2,475	-	24,975	0%
Stephen Ross	83,990	69,000	-	115,473	268,463	43.01%
Patrick Flint	10,000	-	802	-	10,802	0%
Total	**228,990**	**327,106**	**15,652**	**115,473**	**687,221**	

2023	Short-term employee benefits		Post-employment benefits	Share based payment		% of remuneration performance related
	Salary & fees $	Consulting fees $	Superannuation $	Options $	Total $	
Directors						
Mark Stewart	50,000	-	5,250	-	55,250	0%
Antony Worth	40,000	212,699	4,200	-	256,899	0%
Robert Stuart	40,000	256,500	4,200	-	300,700	0%
Keith Murray	40,000	-	4,200	-	44,200	0%
Total	**170,000**	**469,199**	**17,850**	**-**	**657,049**	

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

Bonuses

No bonuses were paid to KMP during the financial year (2023: Nil).

Incentive share-based payment arrangements

No share options were exercised by KMP during the year (2023: Nil).

Options awarded, vested and lapsed during the year

The table below discloses the number of share options granted during the year.

	Financial year	Options awarded during the year No.	Award date	Fair value per option at award date	Vesting date	Exercise price	Expiry date	Value of options granted during the year
Stephen Ross	2024	5,000,000	22 Jan 2024	$0.0231	22 Jan 2024	$0.0625	22 Jan 2027	$115,473

7,000,000 options issued to directors in October 2020, exercisable at $0.30 expired unexercised on 31 October 2023.

Share options do not carry any voting or dividend rights.

Other Transactions with KMP

Mr Mark Stewart is a director of Arion Legal, which was paid $8,550 for legal services provided during the year.

Dr Robert Stuart is a director of Fathom Geophysics Australia Pty Ltd, which was paid $5,000 for geophysical consulting services provided during the year.

Accounting, secretarial and corporate service fees of $43,601 were paid or payable during the year ended 30 June 2024 on normal terms and conditions to Corporate Consultants Pty Ltd, a company in which Mr Patrick Flint is a director and has a beneficial interest.

Key Management Personnel Equity Holdings

Fully paid ordinary shares of Desert Metals Limited

2024	Balance at 1 July 2023 or at date of appointment No.	Granted as compensation No.	Received on exercise of options No.	On-market purchases No.	Balance at 30 June 2024 No.	Balance vested at 30 June 2024 No.
Mark Stewart	200,000	-	-	-	200,000	200,000
Stephen Ross	6,400,000	-	-	-	6,400,000	6,400,000
Patrick Flint	3,900,000	-	-	500,000	4,400,000	4,400,000
Antony Worth*	5,200,000	-	-	-	N/A	5,200,000
Robert Stuart	10,360,000	-	-	-	10,360,000	10,360,000
Keith Murray*	350,000	-	-	-	N/A	350,000

* Anthony Worth and Keith Murray resigned as directors during the period.

Share options of Desert Metals Limited

2024	Balance at 1 July 2023 or at date of appointment No.	Granted as compensation No.	Net other change No.**	Balance at 30 June 2024 No.	Balance vested at 30 June 2024 No.
Mark Stewart	1,600,000	-	(1,600,000)	-	-
Stephen Ross	-	5,000,000	-	5,000,000	5,000,000
Patrick Flint	250,000	-	-	250,000	250,000
Antony Worth*	1,500,000	-		N/A	N/A
Robert Stuart	3,900,000	-	(3,900,000)	-	-
Keith Murray*	800,000	-	-	N/A	N/A

* Anthony Worth and Keith Murray resigned as directors during the period.

** These options expired unexercised.

Each option is convertible into one ordinary share of Desert Metals Limited.

This is the end of the audited remuneration report.

Options

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Grant date	Expiry date	Exercise price $	Number of options
30 Nov 2021	30 Nov 2024	0.60	800,000
02 Jun 2022	02 Jun 2025	0.50	4,090,908
31 Aug 2022	31 Aug 2025	0.35	225,000
08 Mar 2023	08 Mar 2026	0.405	1,000,000
16 Nov 2023	16 Nov 2026	0.15	1,250,000
19 Jan 2024	31 Dec 2025	0.06	57,692,308
19 Jan 2024	31 Dec 2026	0.06	7,500,000
22 Jan 2024	22 Jan 2027	0.0625	5,000,000
			77,558,216

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year, the Company issued options as follows:

- 1,250,000 unlisted options (exercisable at $0.15 on or before 16 November 2026) were issued to Diversified Asset Holdings Pty Ltd as part consideration for acquisition of a 60% interest in five tenements comprising the Little Gap Well and Mt Opal projects within the Meekatharra gold district.
- In January 2024, the Company completed a capital raising for $3.75 million before costs via the issue of 115,384,616 Shares at an issue price of 3.25 cents to sophisticated and professional investors. 57,692,308 free attaching options (exercisable at $0.06, on or before 31 December 2025) were issued to investors in the Placement on the basis of one (1) option for every two (2) shares subscribed for and issued.
- In January 2024, CPS Capital Group Pty Ltd, who was Lead Manager to the Placement and acts as Corporate Advisor to the Company, subscribed for 7.5 million options (exercisable at $0.06, on or before 31 December 2026) at $0.0001 in part consideration for its services.
- Following shareholder approval received at the general meeting of shareholders held on 17 January 2024, 5,000,000 options exercisable at $0.0625 and expiring on 22 January 2027 were issued to Mr Stephen Ross.

No options have been issued after 30 June 2024 and up to the date of this report.

During the financial year, there were no shares issued as a result of the exercise of options.

No person entitled to exercise an option has participated or has any right by virtue of the option to participate in any share issue of any other body corporate. For details of options issued to Directors and executives as remuneration, refer to the 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 Stephen Ross
Managing Director
Dated this 30th day of September 2024

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Desert Metals Limited for the financial year ended 30 June 2024, 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 WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 30th day of September 2024
Perth, Western Australia

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") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

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

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 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 Consolidated Entity 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.

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Material Uncertainty Related to Going Concern

We draw attention to Note 3.3 in the financial report which indicates that the Consolidated Entity incurred a net loss of $9,843,781 during the year ended 30 June 2024. As stated in Note 3.3, these events or conditions, along with other matters as set forth in Note 3.3, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Expenditure As disclosed in note 10 to the financial statements, during the year ended 30 June 2024 the Company capitalised exploration and evaluation expenditure was carried at $3,963,879, following an impairment loss of $8,401,614. Exploration and evaluation is a key audit matter due to: • The significance of the balance to the Consolidated Entity's consolidated financial position. • The level of judgement required in evaluation management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources.* AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.	Our procedures included, amongst others: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements. • For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries or evaluating agreements in place with other parties as applicable; • We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.

Key Audit Matter	How our audit addressed the Key Audit Matter
	• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: ○ the licenses for the right to explore expiring in the near future or are not expected to be renewed; ○ substantive expenditure for further exploration in the specific area is neither budgeted or planned; ○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. • We assessed the appropriateness of the related disclosures in note 10 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, 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, and the consolidated entity disclosure statement that is true and correct and is free of 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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 2024. 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 Desert Metals Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D Bell

D M BELL CA
Director

Dated this 30th day of September 2024
Perth, Western Australia

Consolidated Entity Disclosure Statement

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Consolidated Entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations:

Australian tax residency

The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Consolidated Entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Details of entities within the consolidated group

Name of entity	Type of entity	Trustee partner or participant in joint venture	Country of incorporation	% of share capital held	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction of foreign residents
Desert Metals Limited	Body Corporate	N/A	Australia	N/A	Australian	N/A
CDI Resources Pty Ltd	Body Corporate	N/A	Australia	100	Australian	N/A
CDI Lithium Pty Ltd	Body Corporate	N/A	Australia	100	Australian	N/A
CDI Minerals Pty Ltd	Body Corporate	N/A	Australia	100	Australian	N/A
Smart Mineral Explorer, SARL	Body Corporate	N/A	Côte d'Ivoire	51	Côte d'Ivoire	N/A

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 2024 and performance of the Group 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.

e) the information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.

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 Stephen Ross
Managing Director
Dated this 30th day of September 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 $	2023 $
Continuing operations			
Revenue and other income			
Government grants		-	150,645
Other revenue		47,683	22,628
		47,683	**173,273**
Compliance costs	**6**	(61,324)	(96,198)
Depreciation	**11**	(21,460)	(24,748)
Directors' fees		(244,642)	(187,850)
Exploration and evaluation - impaired	**10**	(8,401,614)	-
Exploration and evaluation written off as incurred		(245,541)	(36,161)
Information technology costs		(31,262)	(35,446)
Occupancy costs		(67,407)	(68,736)
Professional fees		(355,693)	(203,317)
Public relations and marketing		(87,786)	(31,662)
Share based payments	**22**	(115,473)	(29,437)
Travel costs		(58,016)	(18,673)
Administrative expenses	**6**	(201,246)	(147,419)
		(9,891,464)	**(879,647)**
Loss before tax		**(9,843,781)**	**(706,374)**
Income tax benefit	**7**	-	-
Net loss for the year from continuing operations		**(9,843,781)**	**(706,374)**
Loss for the year attributable to:			
Non-controlling interest		-	-
Owners of the parent		(9,843,781)	**(706,374)**
		(9,843,781)	**(706,374)**
Other comprehensive income			
Exchange differences as translation of foreign operations		(10,411)	-
Net other comprehensive income		(10,411)	-
Total comprehensive income / (loss)		**(9,854,192)**	**(706,374)**
Loss per share:			
Basic and diluted (cents per share)	**8**	**(6.21)**	**(1.03)**

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

Consolidated Statement of Financial Position

as at 30 June 2024

	Note	2024 $	2023 $
Current Assets			
Cash and cash equivalents	17	2,668,186	1,968,981
Receivables	9	59,263	112,747
Total Current Assets		**2,727,449**	**2,081,728**
Non-Current Assets			
Exploration and evaluation expenditure	10	3,963,879	7,284,565
Property, plant and equipment	11	85,482	118,317
Total Non-Current Assets		**4,049,361**	**7,402,882**
Total Assets		**6,776,810**	**9,484,610**
Current Liabilities			
Trade and other payables	13	376,998	282,501
Total Current Liabilities		**376,998**	**282,501**
Total Liabilities		**376,998**	**282,501**
Net Assets		**6,399,812**	**9,202,109**
Equity			
Issued capital	14	17,519,987	10,838,241
Reserves	21	650,934	932,026
Accumulated losses		(11,771,109)	(2,568,158)
Total Equity attributable to owners of the parent		**6,399,812**	**9,202,109**
Total Equity		**6,399,812**	**9,202,109**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Issued Capital	Share Options Reserve	Translation Reserve	Accumulated Losses	Total
		$	$	$	$	$
Balance as at 1 July 2022		8,640,035	723,795	-	(1,861,784)	7,502,046
Loss for the year		-	-	-	(706,374)	(706,374)
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		**-**	**-**	**-**	**(706,374)**	**(706,374)**
Transactions with owners, directly in equity						
Share application funds received		2,527,000	-	-	-	2,527,000
Issue of options as share-based payments		-	208,231	-	-	208,231
Share issue costs		(328,794)	-	-	-	(328,794)
Balance at 30 June 2023		**10,838,241**	**932,026**	**-**	**(2,568,158)**	**9,202,109**
Balance as at 1 July 2023		10,838,241	932,026	-	(2,568,158)	9,202,109
Loss for the year		-	-	-	(9,843,781)	(9,843,781)
Other comprehensive income for the year		-	-	(10,411)	-	(10,411)
Total comprehensive income for the year		**-**	**-**	**(10,411)**	**(9,843,781)**	**(9,854,192)**
Transactions with owners, directly in equity						
Shares and options issued during the period	**14,21**	7,177,500	750	-	-	7,178,250
Issue of options as share-based payments		-	369,399	-	-	369,399
Expiry of options	**21**	-	(640,830)	-	(640,830)	-
Share issue costs	**14**	(495,754)	-	-	-	(495,754)
Balance at 30 June 2024		**17,519,987**	**661,345**	**(10,411)**	**(11,771,109)**	**6,399,812**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from Government grants		-	150,645
Other receipts		48,858	22,628
Payments to suppliers and employees		(1,445,303)	(778,035)
Net cash used in operating activities	**17.1**	**(1,396,445)**	**(604,762)**
Cash flows from investing activities			
Payments for exploration and evaluation activities		(1,677,797)	(2,779,001)
Payments for exploration activities – acquisition costs		(55,913)	-
Payments for property, plant and equipment		(4,819)	(38,202)
Cash acquired on acquisition of subsidiary		334,835	-
Proceeds from sale of property, plant & equipment		15,000	-
Net cash used in investing activities		**(1,388,694)**	**(2,817,203)**
Cash flows from financing activities			
Proceeds from issue of shares		3,750,000	2,527,000
Proceeds from issue of options		750	-
Payments for share issue costs		(266,406)	(150,000)
Net cash provided from financing activities		**3,484,344**	**2,377,000**
Net increase / (decrease) in cash held		**699,205**	**(1,044,965)**
Cash and cash equivalents at the beginning of the year		1,968,981	3,013,946
Cash and cash equivalents at the end of the year	**17**	**2,668,186**	**1,968,981**

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

Notes to the Financial Statements

for the year ended 30 June 2024

1. General information

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements are for the Consolidated Entity (or "Group") consisting of Desert Metals Limited ("Company") and the entities it controlled from time to time throughout the year. For the purpose of preparing the consolidated financial statements, 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 Group is included in the Directors' Report.

2. Application of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2024, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ending 30 June 2024. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted by the Group and therefore no material change is necessary to company accounting policies.

3. Summary of material 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 Australian Accounting Standards Board (AASB).

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

The financial statements were authorised for issue by the directors on 30 September 2024.

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 Group 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.

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.

The Group incurred a loss for the year of $9,843,781 (2023: $706,374) and a net cash outflows from operating and investing activities of $2,785,139 (2023: $3,421,965). As at 30 June 2024, the Group's cash and cash equivalents were $2,668,186 (2023: $1,968,981) and it had working capital of $2,350,451 (2023: $1,799,227).

3. Summary of material accounting policies (continued)

3.3 Going Concern Basis (continued)

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Directors have an appropriate plan to raise additional funds as and when they are required, and
- the Group has the ability to scale down its operations in order to curtail expenditure, in the event that any capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate, in particular given the Company's history of raising capital to date. The Directors are confident of the Company's ability to raise funds as and when required.

Should the Group not be able to fund its operations in accordance with the factors set out above, there is material uncertainty whether it would be able to continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

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 the reporting date.

3. Summary of material accounting policies (continued)

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 Group'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 Group 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 Group 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 Group 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. Summary of material accounting policies (continued)

3.6 Exploration and evaluation expenditure

The Group 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.

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

3. Summary of material accounting policies (continued)

3.8 Provisions (continued)

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).

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 Group becomes a party to the contractual provisions of a financial instrument.

Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction 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

Financial assets are 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 Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

3. Summary of material accounting policies (continued)

3.9 Financial instruments (continued)

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

The Group 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.

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 Group 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.

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 Group 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 Group 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 Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. Summary of material accounting policies (continued)

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.

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 Group 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.

3.12 Goods and Services Tax

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.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group'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.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Share-based payments

Fair value is measured by the use of Black-Scholes model. 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.

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.

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 expense:	**2024 $**	**2023 $**
Administration costs:		
Insurance	41,844	41,909
Postage, printing and stationery	1,351	620
Wages and superannuation	81,124	36,514
Admin fees	48,172	46,473
Other	28,755	21,903
Total administration costs	**201,246**	**147,419**
Compliance costs:		
ASX expenses	29,873	63,221
Share registry expenses	19,309	18,597
ASIC expenses	6,368	5,511
AGM expense	5,774	8,869
Total compliance costs	**61,324**	**96,168**

7. Income taxes relating to continuing operations

7.13 Income tax recognised in profit or loss

	2024 $	**2023 $**
Current tax	-	-
Deferred tax	-	-
	-	**-**

7. Income taxes relating to continuing operations (continued)

7.1 Income tax recognised in profit or loss (continued)

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

	2024 $	2023 $
Loss before tax from continuing operations	(9,843,781)	(706,374)
Income tax expense calculated at 30% (2023: 25%)	(2,953,134)	(176,593)
Effect of expenses that are not deductible in determining taxable loss	151,555	7,578
Effect of deductible capitalised expenditure	(2,912)	(701,830)
Under provision for prior year tax adjustment	(5,534)	(21,461)
Effect of unused tax losses not recognised as deferred tax assets	2,810,025	892,306
	-	-

The tax rate used for the 2024 reconciliation above is the corporate tax rate of 30% (2023: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

7.2 Unrecognised deferred tax assets

	2024 $	2023 $
Unused revenue tax losses for which no deferred tax assets have been recognised at 30% (2023: 25%)	**3,412,955**	**2,310,242**

Desert Metals Ltd is not considered a base rate entity for income tax purposes for the 2024 income year and is therefore subject to income tax at a rate of 30% (2023: 25%).

Desert Metals Ltd and its wholly owned Australian subsidiaries have Australian carried forward losses of $11,376,515 (2023: $9,240,967) as at 30 June 2024.

Desert Metals Ltd and its wholly owned Australian subsidiaries are currently not consolidated for tax purposes. The tax note has been prepared on the basis that Desert Metals Ltd will intend to form a tax consolidated group.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The Group's ability to use losses in the future is subject to the Group satisfying the relevant tax authority's criteria for using these losses.

The deductible temporary differences and tax losses do not expire under current tax legislation. The utilisation of tax losses is dependent on the Group satisfying the continuity of ownership test or the same or similar business test at the time the tax losses are applied against taxable income.

8. Loss per share

	2024 $	2023 $
Basic and diluted loss per share	**(6.21)**	**(1.03)**

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

	2024 $	2023 $
Loss for the year attributable to owners of the Company	**(9,843,781)**	**(706,374)**

	2024 $	2023 $
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**158,500,509**	**68,664,944**

9. Trade, other receivables and prepayments

	2024 $	2023 $
Prepayments	20,487	28,523
GST receivable	26,016	71,464
Rent bond	12,760	12,760
	59,263	**112,747**

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

10. Exploration and evaluation expenditure

	2024 $	2023 $
Brought forward exploration and evaluation expenditure	7,284,565	4,427,247
Expenditure incurred and capitalised during the year	1,673,519	2,857,318
Acquired	3,407,409	-
Impaired	(8,401,614)	-
Carried forward exploration and evaluation expenditure	**3,963,879**	**7,284,565**

The Directors have considered the carrying value of all carried forward exploration and evaluation expenditure in light of present conditions that exist in financial markets and the current intention of the Board to consider divesting the WA tenement portfolio and focus on exploration and development of the Côte d'Ivoire mineral tenements and have decided that it is appropriate for an impairment of exploration expenditure of $8,401,614 to be charged to the statement of comprehensive income. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

11. Property, plant and equipment

Carrying amounts of	2024 $	2023 $
Plant and equipment	28,790	53,007
Computer equipment and software	22,315	26,022
Motor vehicles	34,377	39,288
	85,482	**118,317**

30 June 2024	Plant & equipment $	Computer equipment & software $	Motor vehicle $	Total $
Cost or deemed cost				
Balance at 1 July 2023	69,391	60,470	53,919	183,780
Additions	363	4,456	-	4,819
Disposals	(17,995)	-	-	(17,995)
Balance at 30 June 2024	**51,759**	**64,926**	**53,919**	**170,604**
Depreciation				
Balance at 1 July 2023	16,384	34,448	14,631	65,463
Disposals	(1,801)	-	-	(1,801)
Depreciation for the year	8,386	8,163	4,911	21,460
Balance at 30 June 2024	**22,969**	**42,611**	**19,542**	**85,122**
Carrying amounts				
at 1 July 2023	**53,007**	**26,022**	**39,288**	**118,317**
at 30 June 2024	**28,790**	**22,315**	**34,377**	**85,482**

30 June 2023	Plant & equipment $	Computer equipment & software $	Motor vehicle $	Total $
Cost or deemed cost				
Balance at 1 July 2022	40,968	50,691	53,919	145,578
Additions	28,423	9,779	-	38,202
Balance at 30 June 2023	**69,391**	**60,470**	**53,919**	**183,780**
Depreciation				
Balance at 1 July 2022	8,767	22,930	9,018	40,715
Depreciation for the year	7,617	11,518	5,613	24,748
Balance at 30 June 2023	**16,384**	**34,448**	**14,631**	**65,463**
Carrying amounts				
at 1 July 2022	**32,201**	**27,761**	**44,901**	**104,863**
at 30 June 2023	**53,007**	**26,022**	**39,288**	**118,317**

12. Commitments for expenditure

Exploration expenditure on granted tenements	2024 $	2023 $
Not longer than one year	1,144,378	738,537
Two to five years	1,164,908	377,414
	2,309,286	**1,115,951**

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.

13. Trade and other payables

	2024 $	2023 $
Trade and other payables	244,060	267,501
Accrued expenses	132,938	15,000
	376,998	**282,501**

14. Issued capital

	2024 $	2023 $
265,425,693 fully paid ordinary shares (30 June 2023: 72,541,078)	**17,519,987**	**10,838,241**

Fully paid ordinary shares	**2024**		**2023**	
	No.	**$**	**No.**	**$**
Balance at beginning of year	72,541,078	10,838,241	63,181,818	8,640,035
Issue of shares (i)	-	-	9,259,260	2,500,000
Issue of shares (ii)	-	-	100,000	27,000
Issue of shares (iii)	2,500,000	127,500	-	-
Issue of shares (iv)	115,384,615	3,750,000	-	-
Issue of shares (v)	75,000,000	3,300,000		
Share issue costs	-	(495,754)	-	(328,794)
	265,425,693	**17,519,987**	**72,541,078**	**10,838,241**

14. Issued capital (continued)

(i) Issue of fully paid ordinary shares at $0.27 each on 28 November 2022 pursuant to a placement to sophisticated investors in the Company.

(ii) Issue of fully paid ordinary shares at $0.27 each on 17 March 2023 to a director of the Company as approved at a meeting of shareholders held on 7 March 2023.

(iii) Issue of fully paid ordinary shares at a deemed price of $0.051 each on 16 November 2023 to acquire a 60% ownership interest in 5 tenements comprising the Little Gap Well and Mt Opal projects within the Meekatharra gold district

(iv) Issue of fully paid ordinary shares at $0.0325 each on 19 January 2024 pursuant to a placement to sophisticated investors in the Company.

(v) Issue of fully paid ordinary shares at a deemed price of $0.044 each for the acquisition of 100% of the issued capital of CDI Resources Limited.

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

15. Financial Instruments

15.1 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.

15.2 Categories of financial instruments

Financial assets	**2024** **$**	**2023** **$**
Cash and cash equivalents	2,668,186	1,968,981
Trade and other receivables (non-interest bearing)	59,263	112,747
	2,727,449	**2,081,728**

Financial liabilities	**2024** **$**	**2023** **$**
Trade and other payables (non-interest bearing)	376,998	282,501
Net financial assets	**2,350,451**	**1,799,227**

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

15.3 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.

15.4 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 rates (see 15.5 below).

15.5 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 of 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 2024 would decrease by $26,682 (2023: $19,689).

15.6 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.

15.7 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
2024	Trade and other payables	376,998	373,069	3,929	-	-	376,998
2023	Trade and other payables	282,501	268,131	14,370	-	-	282,501

16. Key management personnel

Any person 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 the 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:

Financial assets	2024 $	2023 $
Short-term employee benefits	556,096	639,199
Post-employment benefits	15,652	17,850
Share-based payment	115,473	-
	687,221	**657,049**

Detailed remuneration disclosures are provided in the remuneration report.

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 is set out in the remuneration report.

17. 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:

	2024 $	2023 $
Cash and bank balances	**2,668,186**	**1,968,981**

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

Cash flow from operating activities	2024 $	2023 $
Loss for the year	(9,843,781)	(706,374)
Adjustments for:		
Depreciation	21,460	24,748
Impairment of exploration assets	8,401,614	-
Share based payments	115,473	-
Profit on sale of fixed assets	1,194	-
Foreign exchange movements	(12,805)	-
Share based payments for consulting services	-	29,437
Movements in working capital		
Increase in trade, other receivables and prepayments	63,111	27,667
Decrease / (increase) in trade and other payables	(142,711)	19,760
Net cash outflow from operating activities	**(1,396,445)**	**(604,762)**

Non-cash financing activities

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

18. Contingent liabilities and contingent assets

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

19. Remuneration of auditors

	2024 $	2023 $
Audit and review of financial reports	**25,099**	**26,393**

The auditor of the Company is Hall Chadwick WA Audit Pty Ltd.

20. Events after the reporting period

In August 2024, the Company advised that Fatou Gueye was appointed a Non-Executive Director and Robert Stuart resigned as a director.

21. Reserves

	2024 $	2023 $
Share Options Reserve – refer 21.1 to 21.4	661,345	932,026
Translation Reserve – refer 21.5	(10,411)	-
Total	**650,934**	**932,026**

21.1 Share Options Reserve

The option reserve represents amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company and the value of options issued to third parties for services rendered.

21.2 Options on issue at reporting date

The following options were on issue at the reporting date:

Options	Number	Grant date	Grant date Fair value $	Exercise Price $	Expiry Date	Vesting date
DM1UOPT3	800,000	30 Nov 2021	0.1035	0.6000	30 Nov 2024	30 Nov 2021
DM1UOPT4	4,090,908	02 Jun 2022	0.0000	0.5000	02 Jun 2025	02 Jun 2022
DM1UOPT5	225,000	31 Aug 2022	0.1308	0.3500	31 Aug 2025	31 Aug 2022
DM1UOPT6	1,000,000	08 Mar 2023	0.1787	0.4050	08 Mar 2026	08 Mar 2023
DM1UOPT7	1,250,000	16 Nov 2023	0.0196	0.1500	16 Nov 2026	16 Nov 2023
DM1UOPT8	7,500,000	19 Jan 2024	0.0306	0.0600	31 Dec 2026	19 Jan 2024
DM1UOPT9	57,692,308	19 Jan 2024	0.0000	0.0600	31 Dec 2025	19 Jan 2024
DM1UOPT10	5,000,000	22 Jan 2024	0.0231	0.0625	22 Jan 2027	22 Jan 2024

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 DM1OPT3	Series DM1OPT4	Series DM1OPT5	Series DM1OPT6	Series DM1OPT7	Series DM1OPT8	Series DM1OPT9	Series DM1UOPT10
Dividend yield (%)	-	-	-	-	-	-	-	-
Expected volatility (%)	100.00%	-	114.00%	122.40%	121.70%	126.50%	-	126.49%
Risk-free interest rate (%)	0.53%	-	2.81%	2.72%	4.23%	3.87%	-	3.84%
Expected life of options (years)	3	3	3	3	3	2.95	-	3
Exercise price (cents)	0.6000	0.5000	0.3500	0.4050	0.1500	0.0600	-	0.0625
Grant date share price (cents)	0.2400	0.2450	0.215	0.270	0.051	0.044	-	0.035

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.

21.3 Options granted during the year

Unlisted options	2024		2023	
	No.	$	No.	$
Balance at beginning of year	18,415,908	932,026	17,190,908	723,795
Issue of options	-	-	225,000	29,437
Issue of options	-	-	1,000,000	178,794
Issue of options (i)	1,250,000	24,578	-	-
Issue of options (ii)	7,500,000	230,098	-	-
Issue of options (iii)	57,692,308	-	-	-
Issue of options (iv)	5,000,000	115,473	-	-
Lapsed during the year	(12,300,000)	(640,830)	-	-
	77,558,216	**661,345**	**18,415,908**	**932,026**

The following options were granted during the year ended 30 June 2024:

(i) This represents the value attributed to 1,250,000 unlisted options exercisable at $0.15 issued for 60% ownership interest in 5 tenements comprising the Little Gap Well and Mt Opal projects within the Meekatharra gold district.

(ii) This represents the value attributed to 7,500,000 unlisted options exercisable at $0.06 expiring 31 December 2026 ($229,348) subscribed for at $0.0001 by the lead manager for total proceeds of $750 as a partial fee for raising equity.

(iii) 57,692,308 listed options (exercisable at $0.06, expiring 31 December 2025) were issued as free attaching options to placement on 6/12/2023.

(iv) This represents the value attributed to 5,000,000 unlisted options exercisable at $0.0625, expiring 22 January 2027 issued to Stephen Ross.

21.4 Share options exercised during the year

No share options were exercised during the year (2023: Nil).

21.5 Translation Reserve

The translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations.

	2024	2023
	$	$
Opening balance	-	-
Currency translation differences arising during the year	(10,411)	-
Total	**(10,411)**	**-**

22. Share-based payments

Options granted during the year detailed in Note 21.3 as Share-based Payments are as follows:

	2024 $	2023 $
Total share-based payments for the year	369,399	208,231
Share-based payments recognised as capital raising costs	(229,348)	(178,794)
Share based payments recognised as capitalised exploration & evaluation expenditure	(24,578)	-
Share-based payments expense	**115,473**	**29,437**

Movement in share-based payment arrangements during the year

A summary of the movements of all Company options issued as share-based payments is as follows:

	2024		2023	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Balance at beginning of year	18,415,908	0.3183	13,100,000	0.3183
Granted	13,750,000	0.0691	1,225,000	0.3949
Exercised(i)	-	-	-	-
Expired	(12,300,000)	0.3000	-	-
	19,865,908	**0.1571**	**14,325,000**	**0.3249**
Reconciliation to total Company options				
Non share-based payments options outstanding at the end of the year	57,692,308		4,090,908	
Non share-based payment options exercised or expired	-		-	
Total Company options on issue	**77,558,216**		**18,415,908**	

(i) No share-based payment options were exercised during the year.

(ii) The weighted average remaining contractual life of share-based payment options outstanding at year end was 1.38 years (2023: 0.55 years)

(iii) The fair value of the options granted to directors and employees is deemed to represent the value of the employee services received over the vesting period.

23. Asset acquisition

On 22 January 2024, the Company completed the acquisition of 100% of the issued capital of Côte d'Ivoire gold and lithium explorer CDI Resources Limited (CDI). CDI holds interests in seven gold and lithium projects covering 2,769km² of granted mineral permits and permit applications in Côte d'Ivoire .

The acquisition of CDI has been accounted for as an asset acquisition. The acquisition does not meet the definition of a business combination in accordance with AASB 3 Business Combinations (as CDI has been determined for accounting purposes not to be a business). As such, the acquisition has been accounted for as a share-based payment transaction in accordance with AASB 2 Share-based Payment.

The assets acquired at the date of the acquisition and share-based payments are outlined as follows:

	2024 $
Purchase consideration	
75,000,000 shares with a fair value of $0.044 per share	3,300,000
Total purchase consideration	3,300,000
Fair value of assets and liabilities acquired	
Cash and cash equivalents	334,835
Other assets	88,308
Exploration and evaluation expenditure - capitalised	86,307
Liabilities	(322,561)
	188,889
Excess consideration allocated to exploration and evaluation expenditure	3,113,111
Net assets acquired	**3,300,000**

24. Desert Metals Ltd parent entity information

a) Balance Sheet

	2024 $	2023 $
Assets		
Current assets	2,642,678	2,068,968
Non-current assets	96,283	7,415,642
Total Assets	**2,738,961**	**9,484,610**
Liabilities		
Current liabilities	122,637	282,501
Total Liabilities	**122,637**	**282,501**
Net Assets	**2,616,324**	**9,202,109**
Equity		
Issued capital	18,919,500	11,742,000
Share issue costs	(1,399,513)	(903,759)
	17,519,987	10,838,241
Reserves	661,345	932,026
Accumulated losses	(15,565,008)	(2,568,158)
Total Equity	**2,616,324**	**9,202,109**

b) Interest in Subsidiaries

Company name	Country of incorporation	Percentage owned (%)	
		2024	2023
Parent Entity			
Desert Metals Limited	Australia		
Subsidiaries*			
CDI Resources Pty Ltd	Australia	100	-
CDI Lithium Pty Ltd	Australia	100	-
CDI Minerals Pty Ltd	Australia	100	-
Smart Mineral Explorer SARL	Côte d'Ivoire	51	-

* Refer to Note 23 for details of the acquisition of the subsidiaries during the year ended 30 June 2024.

25. Approval of financial statements

The financial statements were approved by the Board of directors and authorised for issue on 30 September 2024.

Additional Securities Exchange Information

as at 23 September 2024

Ordinary share capital – DM1

265,425,693 fully paid ordinary shares are held by 1,098 shareholders.

Distribution of holdings

Category (size of holding)	Number of Ordinary Shares	Number of Holders	% Holding
1 - 1,000	32,968	66	0.01
1,001 - 5,000	591,370	210	0.22
5,001 - 10,000	1,106,745	136	0.42
10,001 - 100,000	14,823,712	371	5.58
100,001 and over	248,870,898	315	93.76
	265,425,693	**1,098**	**100%**
Holders with an unmarketable parcel		526	

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.

There are no current on-market buy-back arrangements for the Company.

Substantial Holders

The Company has not received notification of any substantial shareholders.

Listed Options – DM1O

57,692,308 options exercisable at $0.06, expiring 31 December 2025 are held by 148 option holders.

Distribution of holdings

Category (size of holding)	Number of Listed Options	Number of Holders	% Holding
1 - 1,000	2	2	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	2,072,508	30	3.59
100,001 and over	55,619,798	116	96.41
	57,692,306	**148**	**100%**

The Listed options of the Company do not have any voting rights attaching.

Options

The unlisted options of the Company summarised below do not have any voting rights attaching.

1. 800,000 unlisted $0.60 options expiring 30 November 2024 are held by 1 option holder.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 and over	800,000	1	100.00
	800,000	**1**	**100%**

The holder is Susan Leonie Murray.

2. 4,090,908 unlisted $0.50 options expiring 2 June 2025 are held by 119 holders.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	24,309	6	0.59
5,001 - 10,000	72,291	9	1.77
10,001 - 100,000	3,350,541	99	81.90
100,001 and over	643,767	5	15.74
	4,090,908	**119**	**100%**

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

3. 225,000 unlisted $0.35 options expiring 31 August 2025 are held by 3 holders

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 and over	225,000	3	100.00
	225,000	**3**	**100%**

As required under listing rule under ASX listing rule 4.10.16, three shareholders hold over 20% of this class of options. The holders are:

- David Laurance Farrell
- Louise Jane Henderson
- Susetta Holdings Pty Ltd

4. 1,000,000 unlisted $0.405 options expiring 8 March 2026 are held by 1 holder.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 and over	1,000,000	1	100.00
	1,000,000	**1**	**100%**

The holder is CG Nominees (Australia) Pty Ltd.

5. 1,250,000 unlisted $0.15 options expiring 16 November 2026 are held by 1 holder.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 and over	1,250,000	1	100.00
	1,250,000	**1**	**100%**

The holder is Diversified Asset Holdings Pty Ltd.

6. 7,500,000 unlisted $0.06 options expiring 31 December 2026 are held by 16 holders.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	478,100	11	6.37
100,001 and over	7,021,900	5	93.63
	7,500,000	**16**	**100%**

As required under listing rule under ASX listing rule 4.10.16, two shareholders hold over 20% of this class of options. The holders are:

- Celtic Capital Pty Ltd <INCOME A/C>
- CPS Capital No 5 Pty Ltd

7. 5,000,000 unlisted $0.0625 options expiring 22 January 2027 are held by 1 holder.

Distribution of holdings

Category (size of holding)	Number of Unlisted Options	Number of Holders	% Holding
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	-	-	0.00
100,001 and over	5,000,000	5	100.00
	5,000,000	**5**	**100%**

The holder is Roman Resource Management Pty Ltd.

Twenty (20) largest shareholders – fully paid shares

#	Name	Number of Shares Held	% of Issued Capital
1	CELTIC FINANCE CORP PTY LTD	10,104,444	3.81%
2	MULTIPLE RESOURCES PTY LTD	10,000,000	3.77%
3	MR DIARRA YACOUBA	8,600,000	3.24%
4	ROMAN RESOURCE MANAGEMENT PTY LTD	6,400,000	2.41%
5	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	5,876,920	2.21%
6	FATHOM GEOPHYSICS AUSTRALIA PTY LTD	5,200,000	1.96%
7	DR ROBERT ANGUS CASTLE STUART	5,160,000	1.94%
8	SANCOAST PTY LTD	5,000,000	1.88%
9	MR PATRICK JOHN FLINT	3,900,000	1.47%
10	MR CAFIERO PIETROPAOLO	3,467,864	1.31%
11	MR BIN LIU	3,076,924	1.16%
12	PERTH SELECT SEAFOODS PTY LTD	2,769,230	1.04%
13	MR OWEN JOHN COOTE & MRS MONIQUE RENEE COOTE <PLATONIC SUPER FUND A/C>	2,723,245	1.03%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	2,721,335	1.03%
15	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	2,676,924	1.01%
16	WEST COAST GEOSCIENCE PTY LTD	2,500,000	0.94%
17	DIVERSIFIED ASSET HOLDINGS PTY LTD<DIVERSIFIED ASSET S/F A/C>	2,500,000	0.94%
18	BRENNAN SUPER (WA) PTY LTD <THE BRENNAN SUPER FUND A/C>	2,300,000	0.87%
19	CHELSEA LANE CAPITAL PTY LTD	2,218,695	0.84%
20	CADDEN NOMINEES PTY LTD <CARSON FAMILY SUPER A/C>	2,200,000	0.83%
		89,395,581	**33.69%**

Twenty (20) largest option holders – Listed Options – DM10

#	Name	Number of Options Held	% of Issued Capital
1	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	4,330,768	7.51%
2	EXIT OUT PTY LTD <THE DISCRETIONARY A/C>	4,050,000	7.02%
3	ESCAPE OUT PTY LTD <HONEY AND THE BEE S/F A/C>	2,251,277	3.90%
4	PILLAIYAR PTY LTD <THIRU A/C>	1,730,769	3.00%
5	MRS MONIQUE RENEE COOTE	1,723,458	2.99%
6	MR BIN LIU	1,538,462	2.67%
7	PERTH SELECT SEAFOODS PTY LTD	1,384,615	2.40%
8	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	1,338,462	2.32%
9	STEVSAND PTY LTD	1,076,923	1.87%
10	MR ANDREW PETER DOWDESWELL	1,076,923	1.87%
11	STIRLING RESOURCES PTY LTD	1,000,000	1.73%
12	MR PAUL JOSEPH MASSARA	1,000,000	1.73%
13	CADDEN NOMINEES PTY LTD <CJ CARSON FAMILY A/C>	1,000,000	1.73%
14	MR MARIAN VOINEA	1,000,000	1.73%
15	JALAVER PTY LTD <FALCON PENSION A/C>	1,000,000	1.73%
16	SCINTILLA CAPITAL PTY LTD	832,070	1.44%
17	DEAD KNICK PTY LTD	769,231	1.33%
18	PROF YEW KWANG NG	707,070	1.23%
19	MR IAN THOMPSON & MR PETER THOMPSON <THOMPSON FAMILY S/F A/C>	692,308	1.20%
20	MACARONIS PTY LTD <PINK LADY A/C>	692,307	1.20%
		29,194,643	**50.60%**

Schedule of Tenements

Schedule of tenements held at the date of this report

Western Australian Tenements					
Tenement ID	**Name**	**Type**	**Status**	**Ownership**	**Holder**
E09/2303	Irrida Hill	Exploration	Granted	100%	Desert Metals Limited
E09/2330	Innouendy	Exploration	Granted	100%	Desert Metals Limited
E09/2331	Opal Bore	Exploration	Granted	100%	Desert Metals Limited
E09/2351	Irrida East	Exploration	Granted	100%	Desert Metals Limited
E52/3650	Breakaway	Exploration	Granted	100%	Desert Metals Limited
E52/3665	Errabiddy	Exploration	Granted	100%	Desert Metals Limited
E52/3741	Mt Gould	Exploration	Granted	100%	Desert Metals Limited
E51/1907	Belele	Exploration	Granted	100%	Desert Metals Limited
E51/2162	Erivilla	Exploration	Granted	100%	Desert Metals Limited
E51/2083	Erivilla	Exploration	Pending	100%	Desert Metals Limited
E51/2163	Erivilla	Exploration	Pending	100%	Desert Metals Limited
P51/2993	Nanine	Prospecting	Granted	60%	Desert Metals Limited
E51/1981	Meekatharra	Exploration	Granted	60%	Desert Metals Limited
E51/2037	Murrouli Range	Exploration	Granted	60%	Desert Metals Limited
E51/2048	Yoothapina (Mt Opal)	Exploration	Granted	60%	Desert Metals Limited

Côte d'Ivoire Tenements *					
Tenement ID	**Name**	**Type**	**Status**	**Ownership**	**Holder**
PR-683	Tengrela South	Exploration	Granted	51%. Earning up to 80%	Smart Mineral Exploration Côte d'Ivoire SARL
PR-960	Adzope	Exploration	Granted	Earning up to 80%	African Ressources SARL
PR-455	Kounahiri	Exploration	Renewal	Earning up to 80%	Generale Des Mines Et Carrieres SARL
0713DMICM04/27/2022	Kounahiri West	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
PR-454	Vavoua	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
0544DMICM31/03/2022	Vavoua West	Exploration	Application	Earning up to 80%	Generale Des Mines Et Carrieres SARL
0155DMICM25/01/23 0170DMICM26/01/23	Agboville	Exploration	Application	Earning up to 85%	Ivoire Lithium Resources SARL

* 100% owned subsidiary CDI Minerals Pty Ltd is earning an interest in all Côte d'Ivoire licenses through various joint venture agreements with the holder of the licenses. See **ASX Announcement 4 December 2023** for earn-in agreement details.

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