

Desert Metals completes oversubscribed \$3.25m placement to accelerate exploration at the Adzope gold project in Côte d'Ivoire

Highlights

- Firm commitments received for oversubscribed **\$3.25 million** placement to institutional and sophisticated investors to accelerate gold exploration in Côte d'Ivoire
- Desert Metals (**DM1**) Directors have committed to subscribe for up to a total of \$84,625 on the same terms as the Placement ("**Director Placement Shares**"). The Director Placement Shares will be subject to shareholder approval
- DM1's recent maiden drilling program confirmed the potential for **Adzope gold project's** King Kong prospect to host a **large high-grade gold system**
- **Discovery hole 24ADDD007** returned **17m at 7.5g/t gold** from 262m downhole, approximately 190m below surface and **all holes intersected gold mineralisation** using a cut-off of 0.5g/t gold¹
- Placement proceeds strongly position DM1 to continue drilling campaigns at the Adzope Gold Project and Tengrela South in Côte d'Ivoire
- **+5,000m diamond drilling** to commence **April 2025** focussing on **+1.4km zone** between significant intersections. Ground dipole-dipole geophysics is currently underway

Desert Metals Limited (Desert Metals, DM1, or the Company) is pleased to announce it has received firm commitments to raise **A\$3.25 million** (before costs) via a placement of approximately 166,666,667 fully paid ordinary shares ("**Shares**") at an issue price of A\$0.0195 per share ("**Placement**").

The Placement, which was managed by **CPS Capital Group Pty Ltd**, was strongly supported by existing shareholders and will also introduce new, institutional, sophisticated and professional investors to the Desert Metals share register.

Placement proceeds along with existing cash reserves, will ensure Desert Metals is well funded to execute the planned exploration strategy of drill testing for extensions of high-grade gold mineralisation previously intersected at the Adzope Gold Project and to follow up +3km long gold anomalies at the northern end of the Tengrela South permit.

Desert Metals Managing Director Stephen Ross said:

"The recent high-grade results from the King Kong drilling campaign at Adzope, demonstrate the potential for the project to host substantial gold mineralisation. Desert Metals is pleased to report a very high level of demand for the Placement, and following completion it will position the Company for a very busy and positive start to 2025, as we will continue to drill and test for high-grade gold mineralisation at King Kong and Tengrela South."

¹ Refer to ASX release dated 10 December 2024 - Gold discovery at Adzope Project in Côte d'Ivoire.

Capital raising

Desert Metals has received support for the Placement from institutions and sophisticated and professional investors, along with existing shareholders, to raise \$3.25 million via an issue of 166,666,667 Shares at an issue price of \$0.0195 per share.

CPS Capital Group Pty Ltd (“CPS”) was appointed as Lead Manager and Broker for the Placement. For managing the Placement (including obtaining the firm commitments), CPS (or its nominee) will subscribe, subject to shareholder approval and completion of the Placement, for 22.5 million options exercisable at \$0.035, expiring three years from date of issue at an issue price of \$0.00001 (‘Options’).

Tranche 1 – 26,742,569 Shares will be issued under the Company’s existing placement capacity under Listing Rule 7.1A and 31,652,315 Shares under Listing Rule 7.1. Tranche 1 of the Placement is scheduled to close on or around 28 February 2025.

Tranche 2 of the Placement equalling 108,271,783 Shares, which includes the Director Placement Shares, will be issued subject to shareholder approval, to be obtained at an extraordinary general meeting of the Company in early April 2025.

The funds raised will be used to fund ongoing and planned exploration programs at the Company’s existing projects including:

- 5,000m diamond drilling program at Adzope
- Ground geophysics, auger sampling, stream sediment sampling at Adzope
- 3,500m aircore drilling program at Tengrela South
- Costs of the offer and general working capital

Director participation

DM1’s directors have committed to subscribe for up to 4,339,743 Shares totaling a combined \$84,625. The Director Placement Shares require the approval of shareholders pursuant to Listing Rule 10.11.

All new shares issued pursuant to the Placement will rank equally with existing fully paid ordinary shares in the Company.

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

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About Desert Metals Limited

Desert Metals Limited is an ASX-listed (ASX:DM1) mineral exploration and development company. DM1 has the right to earn a majority interest under low-cost joint venture arrangements in six gold and lithium projects covering 2,475km² of granted mineral permits and permit applications in Côte d’Ivoire, West Africa. DM1 currently owns 51% of the Tengrela South project 30km south of the operating Sissingue gold mine and is earning 80% of the highly prospective Adzope gold project.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report from previous Company announcements as referenced in the body of this announcement and further confirms that all material assumptions underpinning the exploration results contained in those market releases continue to apply and have not materially changed.