

Desert Minerals Ltd and its controlled entities

ABN 25 680 419 345

Interim Report - 31 December 2025

**Desert Minerals Ltd
Corporate directory
31 December 2025**

Directors	Peretz Schapiro Adam Caine Richie Daniel Trevor Campbell Patric Ho
Corporate secretary	Joel Ives
Registered office	Level 1 1 Alvan Street Subiaco WA 6008, Australia
Telephone	+61 8 6245 2490
Email	info@desertminerals.com.au
Website	www.desertminerals.com.au
Share register	Automatic Registry Service Level 5, 191 St Georges Terrace Perth WA 6000 Telephone: 1300 288 664 Fascimile: +61 2 96985414
Auditor	BDO Audit Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Stock exchange listing	Desert Minerals Ltd shares are listed on the Australian Security Exchange (ASX code: DSM).

Desert Minerals Ltd
Directors' report
31 December 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Desert Minerals Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The following persons were directors of Desert Minerals Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. Peretz Schapiro	Executive Chair
Mr. Adam Richie	Non-Executive Director
Mr. Daniel Campbell	Non-Executive Director
Mr. Patric Ho	Non-Executive Director

Principal activities

The principal activities of the Company during the course of the financial half-year were the exploration and evaluation of mineral interests. During the year, following a successful initial public offering (IPO) in October 2025, the company acquired the exploration assets known as the Scotty Project and the Mt Monger Projects from its former parent entity, Loyal Metals Limited (LLM). These projects are located in the United States and Australia, respectively.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$706,363 (31 December 2024: \$10,000).

Significant changes in the state of affairs

There were no significant changes in the consolidated entity's state of affairs during the financial half-year, other than the matters noted under principal activities.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Peretz Schapiro
Director

16th March 2026

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF DESERT MINERALS LTD

As lead auditor for the review of Desert Minerals Ltd for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Desert Minerals Ltd and the entities it controlled during the period.



Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

16 March 2026

Desert Minerals Ltd
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31 December 2025

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General information

The financial statements cover Desert Minerals Ltd as a consolidated entity consisting of Desert Minerals Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Desert Minerals Ltd's functional and presentation currency.

Desert Minerals Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
1 Alvan Street
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16th March 2026.

Desert Minerals Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Revenue			
Interest Income		22,408	-
Expenses			
Employee benefits expense		(52,780)	-
Project costs		(19,865)	-
Professional services		(170,301)	(10,000)
Administration		(135,779)	-
Share-based payment expenses	10	(277,500)	-
Finance costs	10	(126,053)	-
Loss before income tax expense		(759,870)	(10,000)
Income tax expense		-	-
Loss after income tax expense for the half-year		(759,870)	(10,000)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		68,856	-
Other comprehensive income for the half-year, net of tax		68,856	-
Total comprehensive loss for the half-year		(691,014)	(10,000)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		15,349	-
Owners of Desert Minerals Ltd		(706,363)	(10,000)
		(691,014)	(10,000)
		Cents	Cents
Basic earnings per share	18	(6.93)	(16,666.67)
Diluted earnings per share	18	(6.93)	(16,666.67)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Desert Minerals Ltd
Consolidated statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 December 2025 \$	30 June 2025 \$
Assets			
Current assets			
Cash and cash equivalents	4	4,102,080	4,602
Trade and other receivables		31,539	12,646
Total current assets		<u>4,133,619</u>	<u>17,248</u>
Non-current assets			
Exploration and evaluation	5	530,473	-
Total non-current assets		<u>530,473</u>	<u>-</u>
Total assets		<u>4,664,092</u>	<u>17,248</u>
Liabilities			
Current liabilities			
Trade and other payables	6	168,325	160,853
Borrowings	7	-	196,649
Total current liabilities		<u>168,325</u>	<u>357,502</u>
Total liabilities		<u>168,325</u>	<u>357,502</u>
Net assets/(liabilities)		<u>4,495,767</u>	<u>(340,254)</u>
Equity			
Issued capital	8	4,280,438	60
Reserves	9	1,123,356	-
Accumulated losses		(1,084,835)	(340,314)
Equity/(deficiency) attributable to the owners of Desert Minerals Ltd		<u>4,318,959</u>	<u>(340,254)</u>
Non-controlling interest		176,808	-
Total equity/(deficiency)		<u>4,495,767</u>	<u>(340,254)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Desert Minerals Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total deficiency in equity \$
Balance at 1 July 2024	60	-	-	-	60
Loss after income tax expense for the half-year	-	-	(10,000)	-	(10,000)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(10,000)	-	(10,000)
Balance at 31 December 2024	60	-	(10,000)	-	(9,940)

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2025	60	-	(340,314)	-	(340,254)
Loss after income tax expense for the half-year	-	-	(744,521)	(15,349)	(759,870)
Other comprehensive income for the half-year, net of tax	-	68,856	-	-	68,856
Total comprehensive income for the half-year	-	68,856	(744,521)	(15,349)	(691,014)
<i>Transactions with owners in their capacity as owners:</i>					
Issuance of shares (net of costs) (note 8)	4,080,378	-	-	-	4,080,378
Share-based payments (note 10)	-	1,054,500	-	-	1,054,500
Issuance of share to acquire E&E assets (note 15)	200,000	-	-	192,157	392,157
Balance at 31 December 2025	4,280,438	1,123,356	(1,084,835)	176,808	4,495,767

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Desert Minerals Ltd
Consolidated statement of cash flows
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(321,291)	-
Interest received		22,409	-
Interest and other finance costs paid		(15,053)	-
		<u> </u>	<u> </u>
Net cash used in operating activities		(313,935)	-
Cash flows from investing activities			
Payments for exploration and evaluation	5	(138,316)	-
		<u> </u>	<u> </u>
Net cash used in investing activities		(138,316)	-
Cash flows from financing activities			
Proceeds from issue of shares	8	5,000,000	60
Share issue transaction costs		(253,622)	-
Repayment of borrowings		(196,649)	-
		<u> </u>	<u> </u>
Net cash from financing activities		4,549,729	60
Net increase in cash and cash equivalents		4,097,478	60
Cash and cash equivalents at the beginning of the financial half-year		4,602	-
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	4	<u><u>4,102,080</u></u>	<u><u>60</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies that are material to the consolidated entity are set out below.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Desert Minerals Ltd ('company' or 'parent entity') as at 31 December 2025 and the results of all subsidiaries for the half-year then ended. Desert Minerals Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Desert Minerals Ltd's functional and presentation currency.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees, directors and consultants.

Note 1. Material accounting policy information (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2025. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Control Over American Consolidated Lithium during sole funding period

During the year, the Group acquired 51% equity interest of American Consolidated Lithium Pty Ltd (ACL) from its previous parent company, Loyal Metals Limited (see detail of the transaction in note 15). As per the shareholders agreement, the Group is responsible to fund the exploration activities solely during the sole funding period.

The Group has assessed that, during the sole funding period, the Group has control over ACL, as it has power to determine the relevant activities of ACL through the annual budgeting process. Any budget prepared by the Group is automatically approved without the need for a shareholder vote, i.e. agreement from the other investor. The Group acts as the principal, directing the relevant activities as the Group cannot be removed as manager throughout the sole funding period.

Furthermore, certain shareholders' reserved matters are classified as protective rights and do not affect the control assessment.

Note 3. Operating segments

Operating segment information is disclosed on the same basis as information used in internal reporting.

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 3. Operating segments (continued)

At regular intervals, the board is provided management information for the Company's cash position, the carrying values of exploration permits and Company cash forecast for the next twelve months of operation. On this basis, the board considers the Company operates in one segment being exploration of minerals and two geographical area, being Australia and United States.

Geographical information

	Geographical non-current assets	
	31 December 2025	30 June 2025
	\$	\$
Australia	29,595	-
United States	500,878	-
	<u>530,473</u>	<u>-</u>

Note 4. Cash and cash equivalents

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Cash at bank	4,102,080	4,602
	<u>4,102,080</u>	<u>4,602</u>

Note 5. Exploration and evaluation

	Consolidated		
	31 December 2025	30 June 2025	
	\$	\$	
Scotty lithium project	500,878	-	
Mt Monger Projects	29,595	-	
	<u>530,473</u>	<u>-</u>	
	Scotty	Mt Monger	Total
	\$	\$	\$
Balance on 1 July 2025	-	-	-
Cost of project acquisition (note 15)	392,157	-	392,157
Expenditure during the half year	108,721	29,595	138,316
Balance on 31 December 2025	<u>500,878</u>	<u>29,595</u>	<u>530,473</u>

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 6. Trade and other payables

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Trade payables	167,485	160,853
Other payables	840	-
	<u>168,325</u>	<u>160,853</u>

Note 7. Borrowings

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Loan - Loyal Metals Limited	-	196,649
	<u>-</u>	<u>196,649</u>

On 18 February 2025, the Company entered into a loan agreement with LLM ('LLM Loan Agreement') pursuant to which LLM agreed to provide an unsecured loan of up to \$200,000 to the Company for costs associated with the IPO, maintaining the Scotty Lithium Project tenements and other costs as agreed by LLM. Drawn down amounts pursuant to the LLM Loan Agreement accrue interest at 12% per annum. As part of the IPO, the Company also issued 1,000,000 options to LLM in respect of the loan. For further details refer to (note 10).

The loan has been fully repaid during the half year upon the completion of the IPO.

Note 8. Issued capital

	Consolidated			
	31 December	30 June 2025	31 December	30 June 2025
	2025	2025	2025	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>26,000,060</u>	<u>60</u>	<u>4,280,438</u>	<u>60</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2025	60		60
Issue shares on its Initial Public Offering	17 October 2025	25,000,000	\$0.20	5,000,000
Acquisition of Scotty and Mt Monger projects (note 15)	17 October 2025	1,000,000	\$0.20	200,000
Less: share issue costs (cash)		-	\$0.00	(253,622)
Less: share issue costs (share-based payment) (note 10)		-	\$0.00	(666,000)
Balance	31 December 2025	<u>26,000,060</u>		<u>4,280,438</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 9. Reserves

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Foreign currency reserve	68,856	-
Share-based payment reserve	1,054,500	-
	<u>1,123,356</u>	<u>-</u>

Note 10. Share-based payments

As part of the IPO process, the Company has issued options to LLM, the lead manager, the brokers, the board and employees.

The Loan Options, Lead Manager Options, Broker Options, Board Options and Employee Options have no vesting conditions attached and have been expensed immediately in the profit or loss when granted. The fair value has been calculated using the Black-Scholes Option Pricing Model, with the key inputs and fair values set out below:

Options	Loan options	Lead manager options	Broker options	Board options	Employee options
Number of options	1,000,000	3,000,000	3,000,000	1,500,000	1,000,000
Underlying share price	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Volatility	100%	100%	100%	100%	100%
Life of the options (years)	3.00	3.00	3.00	3.00	3.00
Dividend yield	nil	nil	nil	nil	nil
Risk-free rate	3.365%	3.365%	3.365%	3.365%	3.365%
Value per option	\$0.111	\$0.111	\$0.111	\$0.111	\$0.111
Total fair value	\$111,000	\$333,000	\$333,000	\$166,500	\$111,000
Accounting treatment	Finance costs	Capital raising costs	Capital raising costs	Share-based payment expense	Share-based payment expense

During the year, the total share-based payment expenses recognised in profit or loss amounted to \$388,500 (\$111,000 under finance costs, and \$277,500 under share-based payment expense). The amount recognised in issue capital amounts to \$666,000.

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 11. Key management personnel disclosures

Compensation

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

	Consolidated	
	31 December	31 December
	2025	2024
	\$	\$
Short-term employee benefits	51,940	-
Share-based payments (note 10)	277,500	-
	<u>329,440</u>	<u>-</u>

Note 12. Contingencies

The Company has acquired a portfolio of tenements under the Scotty Lithium Agreement and Mt Monger Agreement, which all have a requirement for a certain amount of expenditure each year in addition to annual rental payments for the tenements.

Nevlith LLC, a subsidiary of ACL (of which the Company has a 51% interest in under the Scotty Lithium Agreement), is required to pay a 1% net smelter royalty on future production of all mineral and mineral materials from the Scotty Lithium Project to Playa Minerals Company. Nevlith LLC has the right to buy back 50% of the royalty for a total purchase price of US\$500,000.

Note 13. Commitments

There are no additional commitments at 31 December 2025 other than what was disclosed in the annual report.

Note 14. Related party transactions

Parent entity

Desert Minerals Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 16.

Key management personnel

Disclosures relating to key management personnel are set out in note 11.

Significant influence - Loyal Metals Limited

Prior to the Group's public listing, Loyal Metals Limited (ASX: LLM) was its parent entity. LLM is considered a related company due to shared directors and management with the Group. Furthermore, LLM held approximately 4% of the Group's equity and possessed 1,000,000 options.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 December	31 December
	2025	2024
	\$	\$
Transactions with Loyal Metals Limited:		
Acquisition of exploration assets (note 15)	200,000	-
Repayment of loan and advances	558,663	-
Issue of share capital	200,000	-
Issue of options	111,000	-

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 14. Related party transactions (continued)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

The terms and conditions of above transactions were included in the prospectus during IPO process.

Note 15. Acquisition of assets

On 15 August 2025, the Company and LLM executed a Demerger Implementation Deed (“DID”) relating to the Spin-out, including the sale and purchase of LLM’s 51% interest in the Scotty Lithium Project and its 80% interest in the Mt Monger Projects. The transaction has now been finalized following the successful IPO. Detailed information regarding the assets is provided below:

American Consolidated Lithium Pty Ltd (“ACL”) – Scotty Project

The acquisition of a 51% interest in ACL’s exploration and evaluation assets was accounted for as an asset acquisition under AASB 6: Exploration for and Evaluation of Mineral Resources. This treatment is based on ACL not meeting the “process” and “output” criteria and therefore not qualifying as a business under AASB 3: Business Combinations. The consideration for these assets was satisfied through the issuance of 1,000,000 shares to LLM, invoking the application of AASB 2: Share-Based Payments.

As the fair value of the E&E assets cannot be determined with sufficient reliability, their valuation is derived from the fair value of the Group’s issued equity instrument (\$200,000) and its ownership percentage (51%).

	\$
Summary of the transaction is set out below:	
Fair value of 1,000,000 issued share at \$0.2 (note 7)	200,000
Imputed fair value of the non-controlling interest	<u>192,157</u>
Total E&E asset acquired (note 4)	<u><u>392,157</u></u>

Mt Monger Projects

The acquisition of an 80% interest in the Mt Monger Projects, in accordance with the Mt Monger Agreement, was similarly classified as an asset acquisition under AASB 6 for the same reasons—the projects did not meet the “process” and “output” test, and as such, do not constitute a business under AASB 3: Business Combinations. Under LLM’s ownership, the Mt Monger Projects have been carried at nil value due to a historical impairment. Current exploration activities are focused on highly prospective but untested drilling targets, and these projects are not considered core assets.

Note 16. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 31 December	
		2025 %	30 June 2025 %
American Consolidated Lithium Pty Ltd *	Australia	51.00%	-
Nevlith LLC	United States	51.00%	-
Olsom Inc	United States	51.00%	-

* American Consolidated Lithium (ACL) owns 100% of Nevlith LLC and Olsom Inc. During the year, the Group has acquired 51% equity interest of ACL, further details refer to note 15.

Desert Minerals Ltd
Notes to the consolidated financial statements
31 December 2025

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 18. Earnings per share

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Loss after income tax	(759,870)	(10,000)
Non-controlling interest	15,349	-
	<u>(744,521)</u>	<u>(10,000)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	10,739,190	60
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,739,190</u>	<u>60</u>
	Cents	Cents
Basic earnings per share	(6.93)	(16,666.67)
Diluted earnings per share	(6.93)	(16,666.67)

The share-based payments were not assumed to be exercised because they were anti-dilutive in the periods.

Desert Minerals Ltd
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Peretz Schapiro
Director

16th March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Desert Minerals Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Desert Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


Jarrad Prue

Director

Perth, 16 March 2026