DESOTO RESOURCES

ANNUAL REPORT 2026

DeSoto Resources Limited
ABN 75 658 510 242

Corporate Directory

Directors
Paul Roberts
Non-Executive Chairperson

Finbarr (Barry) Murphy
Non-Executive Director

Christopher Swallow
Managing Director

Company secretary
Tony Tomba

Registered office
16/100 Railway Road
Daglish WA 6008
Ph: +61 8 6149 7516
Email: info@desotoresources.com
Website: www.desotoresources.com

Share registry
Automic Registry Services
Level 2, 267 St George's Terrace
Perth WA 6000
Ph: 1300 288 664
Website: www.automic.com.au

Auditor
HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Solicitors
Steinepreis Paganin
Level 14, 250 St George's Terrace
Perth WA 6000

Stock exchange listing
Australian Securities Exchange
(ASX code: DES, DESO)

ACN
658 510 242

Contents

DESOTO RESOURCES

Operation review

The following is a summary of the activities of DeSoto Resources Limited for the year ended 30 June 2026. It is recommended that this report be read in conjunction with any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange (ASX) regarding the activities of the Company.

Projects Overview

During the year, DeSoto continued to build and systematically explore a district-scale gold portfolio in Guinea's Siguiri Basin. The program combined selective tenure acquisition with regional geochemistry, artisanal and regolith mapping, structural interpretation, airborne geophysics and staged drilling. The work was designed to move targets from basin-scale screening through progressively tighter geochemical definition and into drill testing.

By late May 2026, the Company had assembled approximately 1,300 km^2 of prospective gold tenure across more than 22 Reconnaissance Authorisations and Exploration Permits (Figure 1), establishing DeSoto as one of the largest landholders in the Siguiri Basin. More than 14,000 soil and BLEG stream sediment samples had been collected across the portfolio, while priority targets at Koba, Dadjan, Tole and Timbakouna were advanced toward geophysics and drilling.

July to September 2025 - advancing Dadjan and Tole

The financial year began with continued follow-up of the Company's 2025 target-generation and shallow drilling programs at Dadjan and Tole. The work included the reported intersection of 8 m @ 18 g/t Au from surface at Tole, a broader Guinea exploration update in July, and subsequent soil sampling that outlined additional gold zones at both Tole and Dadjan.

These programs reinforced the scale of the south-central Siguiri target corridor and provided the technical basis for the maiden RC campaign completed later in the calendar year.

October 2025 - Exploration alliance established with Fortuna Mining

DeSoto entered a binding exploration alliance and joint venture with Fortuna Mining Corp. (Fortuna) to identify, apply for, acquire and explore new permits within an agreed area of interest in the Siguiri Basin.

The structure provided for initial interests of 70% Fortuna and 30% DeSoto, with Fortuna to sole fund exploration until the later of three years from commencement of the joint venture or aggregate expenditure of US$12.5 million across agreed projects. The alliance excluded DeSoto's existing 100%-owned portfolio and applications, preserving the Company's direct exposure to its established projects while adding a funded pathway to pursue new opportunities.

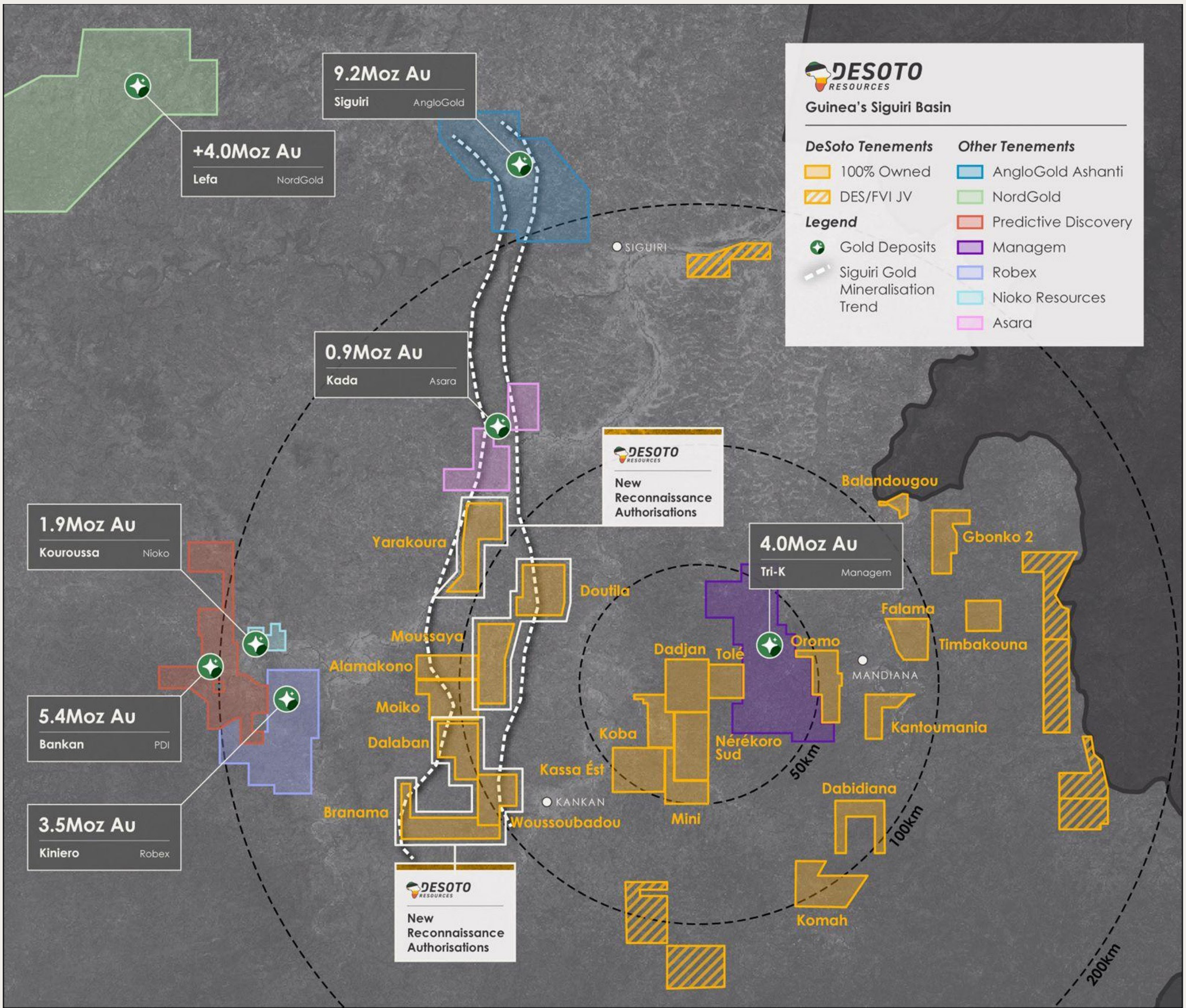


Figure 1- DeSoto-Fortuna joint venture projects and DeSoto's 100%-owned applications, Reconnaissance Authorisations and Exploration Authorisations in the Siguiri Basin. Source: DeSoto ASX announcement dated 8 July 2026.

December 2025 - Maiden drilling confirmed a large gold system at Dadjan and Tole

The maiden drilling program at Dadjan and Tole confirmed the presence of a large gold system and supported the Company's decision to broaden regional exploration across its Siguiri portfolio. The results were integrated with prior soil, rock-chip and power auger data and became the basis for renewed 200 m by 200 m soil coverage, further structural targeting and planned airborne magnetic surveys during 2026.

February 2026 - Portfolio expansion and field programs accelerated

The Company signed an agreement with United Mining SARL to acquire the Yarakoura, Doutila and Moussaya Reconnaissance Authorisations, adding approximately 290 km^2 on the western flank of DeSoto's area of focus. The projects covered an interpreted regional structural intersection and were contiguous with the existing Moiko and Alamakono authorisations. Consideration was structured in staged cash and share tranches linked to the grant and registration of the relevant authorisations and exploration permits.

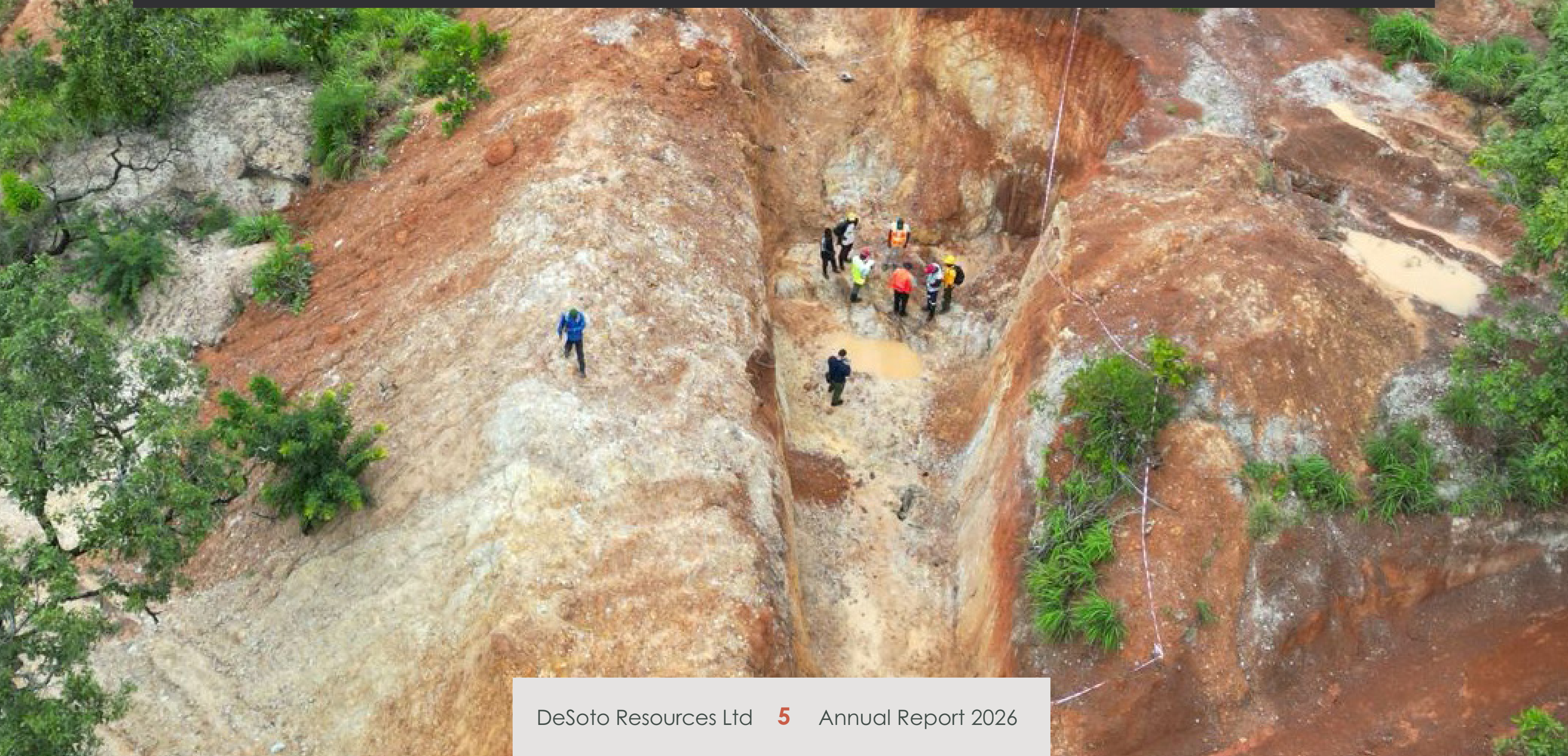
At the same time, DeSoto recommenced broad field execution across its then 17-project portfolio. Mapping, BLEG stream sediment sampling, soil geochemistry and power auger work were being completed across more than 11 permits. At Dadjan and Tole, new regional soil grids were designed to extend coverage beyond the known mineralised trends; at Koba, mapped artisanal workings initially defined a corridor of approximately 4.3 km; and at Timbakouna, permit-wide soil sampling followed up historical high-grade drilling and DeSoto's 2025 surface results.

March 2026 - 9 km active gold zone identified at Koba and Southwest Siguiri position consolidated to 687km²

Initial reconnaissance at Koba expanded the mapped artisanal corridor to approximately 9 km in length and up to 1 km wide. Dump sampling returned gold grades of up to 15.2 g/t Au and the Company completed initial soil sampling, with additional lines planned to test the southern continuation of the zone. Koba lies within DeSoto's south-central project block between the Tri-K and Bankan-Kiniero gold deposits and was prioritised using the Company's mineral systems approach.

The scale of the artisanal activity, combined with the absence of modern systematic exploration, made Koba a priority for staged follow-up (Figure 2). The planned workflow comprised wider-spaced soil coverage, infill sampling to identify coherent trends, and then geophysics, trenching and power auger drilling ahead of a maiden drill program.

Figure 2. Aerial view of the large and active artisanal mining zone at Koba, which extends for more than 9 km.
Source: DeSoto ASX announcement dated 9 March 2026.



Three further Reconnaissance Authorisations - Dalaban, Woussoubadou and Branama - were acquired, adding approximately 242km² and increasing the Company's near-contiguous southwest project grouping to approximately 687km². The new projects were located along the interpreted Siguiri Gold Mineralisation Trend and were largely contiguous with Moiko, Alamakono, Doutila, Moussaya and Yarakoura.

The geological rationale focused on north-south belts containing interpreted Tarkwaian conglomerates, cross-cut by northeast-southwest faults and locally intruded by granitoids (Figure 3). These structural intersections were considered favourable for large orogenic gold systems. DeSoto planned first-pass BLEG sampling, regolith and artisanal mapping, soil and rock-chip sampling, followed by power auger, aircore or RC drilling and airborne geophysics where coherent anomalies were defined.

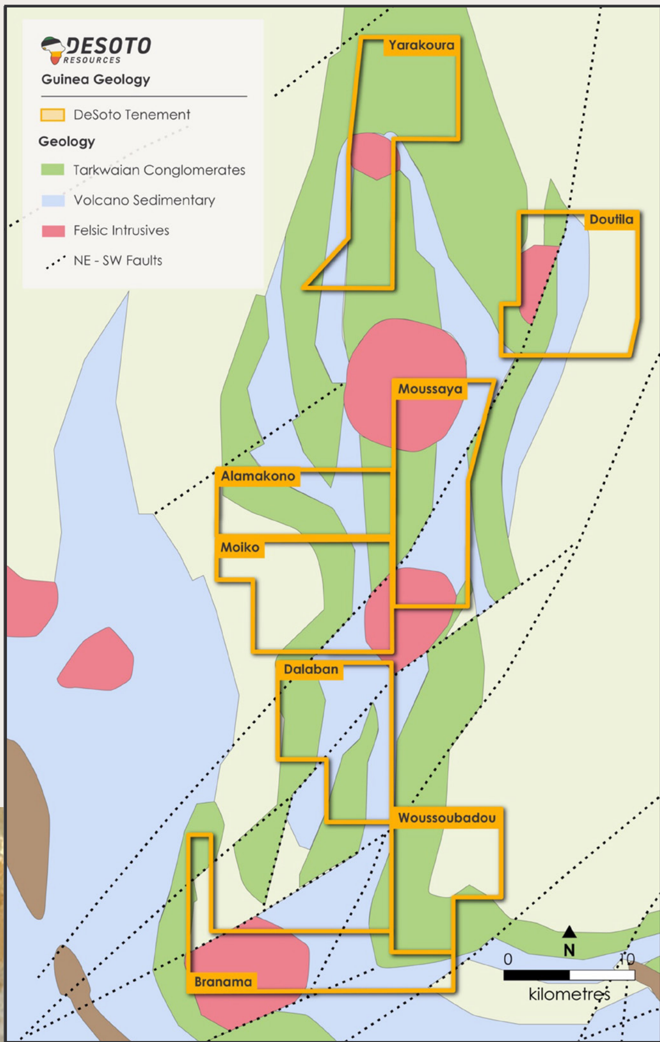


Figure 3. Southwest Siguiri tenure over interpreted geology, showing north-south belts, intrusive bodies and northeast-southwest faults. Source: DeSoto ASX announcement dated 12 March 2026; geological interpretation modified from Lebrun et al.

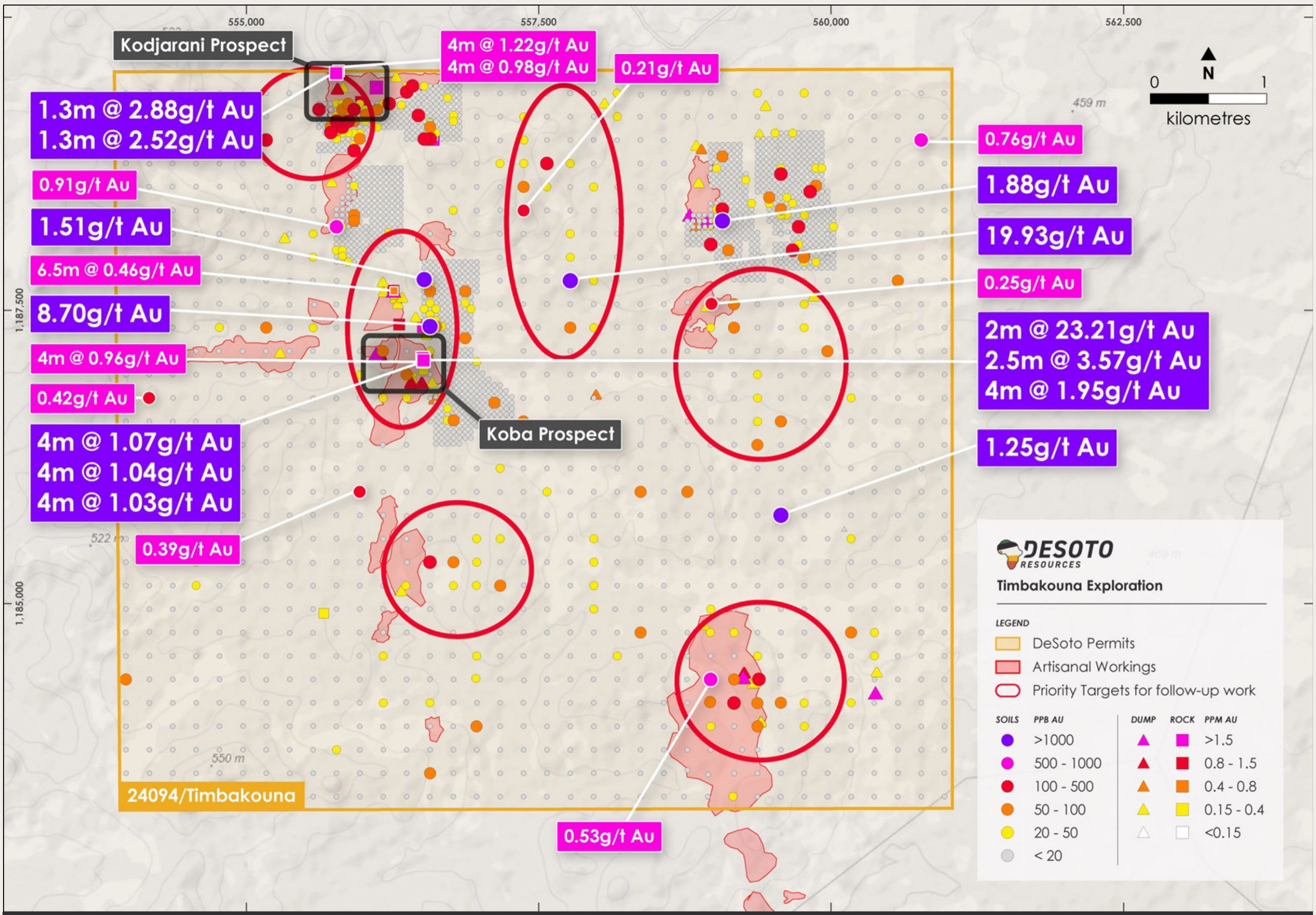


Figure 4. Timbakouna regional soil, rock-chip and channel sampling results, showing priority areas for follow-up work. Source: DeSoto ASX announcement dated 20 April 2026.

April 2026 - Integrated exploration results across Central Siguiri and Timbakouna

The April exploration update demonstrated the progression from regional screening to prospect-scale targeting across multiple projects.

At Timbakouna, channel sampling within artisanal workings returned encouraging results from the Kodjarani and Koba prospects, including 2m @ 23.31g/t Au, 2.5m @ 3.57g/t Au, 1.3m @ 2.88g/t Au, 1.3m @ 2.52g/t Au and 4m @ 1.95g/t Au (Figure 4). Regional soil sampling also returned values of up to 19.93g/t Au and confirmed several areas for infill work and drilling assessment.

Across the central Siguiri projects, regional soil sampling identified zones of anomalism extending approximately 4km at Koba and 3.2km at Nerekoro Sud, while results from Dadjan and Tole included soil values of up to 3.66 g/t Au. More than 12,000 soil samples had been collected across Dadjan, Tole, Koba, Nerekoro Sud, Kassa Est, Mini and Timbakouna. BLEG sampling had also been completed across the newly acquired southwest projects, and New Resolution Geophysics was engaged to undertake airborne magnetic and radiometric surveying over Dadjan, Tole, Koba, Kassa Est, Mini and Nerekoro Sud.

May 2026 - Priority targets defined at Timbakouna

A review of 200m by 200m regional soil sampling at Timbakouna identified two priority areas comprising three coherent gold-in-soil anomalies. Area A contained an approximately 800 m long anomaly greater than 25 ppb gold, positioned along the southern margin of a large artisanal working and south of historical drilling that included 18m @ 11.8g/t Au from 48m. Area B contained two anomalies, each up to approximately 950m long, adjacent to artisanal workings in the southeast of the project.

Infill sampling was completed over the target areas and the project was fully permitted for drilling. The planned next step was shallow power auger drilling through the lateritic cover to sample saprolite derived from bedrock, supported by airborne magnetic data to define structures, lithological contacts and potential alteration corridors. By this stage, more than 14,000 soil and BLEG stream sediment samples had been collected across the broader portfolio.

Figure 5. BLEG sample collection, preparation and drying at Moussaya. Source: DeSoto ASX announcement dated 26 May 2026.

May 2026 - Southwest Siguiri BLEG programs completed

The Company completed first-pass BLEG stream sediment sampling across Dalaban, Woussoubadou, Branama, Doutila, Moussaya and Yarakoura. The program covered more than 687 km^2 of drainage catchments and generated 143 samples for analysis at Bureau Veritas in Perth. Sampling was supervised by specialist BLEG technician Benoit Sanon and represented the first systematic exploration completed across much of the project area (Figure 5).

The catchment-based BLEG program was designed to reduce the effect of nuggety gold and rapidly rank large areas for follow-up. Elevated gold and pathfinder geochemistry would be used to focus regolith mapping, infill soil sampling, rock-chip sampling, auger drilling, geophysics and ultimately drill testing. The update also confirmed that DeSoto had assembled approximately 1,300 km^2 across more than 22 Reconnaissance Authorisations and Exploration Permits since entering Guinea in February 2025.

June 2026 - Maiden 10,000 m power auger program commenced at Timbakouna

DeSoto commenced a 485-hole, 10,000m power auger program at Timbakouna. The program was designed to test the priority soil anomalies identified in Areas A and B and to penetrate lateritic cover to obtain bedrock-derived geochemical information from the saprolite. The drilling targeted the 800 m northern anomaly, areas adjacent to extensive artisanal workings, and structural targets generated from SRTM interpretation.

Timbakouna contains more than 6 km of semi-continuous artisanal workings along defined structural trends and had received only limited historical drilling. Historical RC results included 18m @ 11.8g/t Au from 48m, including 1m @ 78.84g/t Au and 3m @ 40.4g/t Au, while DeSoto's earlier rock-chip sampling returned assays including 19.35g/t Au and 16.64g/t Au. The auger program represented the first systematic modern drilling campaign across the broader project and was intended to define coherent mineralised trends for potential follow-up RC and diamond drilling.

Outlook

The Company entered the 2027 financial year with a large, diversified Siguiri Basin portfolio and a clear staged exploration pipeline. Near-term priorities include completion and interpretation of the Timbakouna power auger program, integration of airborne magnetic and radiometric data, receipt and ranking of southwest BLEG results, conversion of Reconnaissance Authorisations to Exploration Permits, and the advancement of coherent anomalies at Timbakouna, Koba, Nerekoro Sud, Dadjan and Tole toward RC and diamond drilling.

The DeSoto-Fortuna alliance provides an additional, separately funded avenue for project generation and acquisition. In parallel, DeSoto retains 100% ownership of its existing portfolio and applications outside the alliance area of interest, preserving direct shareholder exposure to the Company's principal exploration assets.

Fenton Gold Project – Northern Territory

No work was completed on the Company's Northern Territory Assets, with exploration activities focused on its Siguiri Basin Projects. The Company will seek divestment and/or JV opportunities for its Northern Territory portfolio.

Corporate

On 10 October 2025, the Company announced that it had secured binding commitments to raise A$14.0 million (before costs) through a two-tranche placement priced at A$0.16 per share (Placement). The Placement was completed in November 2025, after obtaining shareholder approval at the AGM held on 20 November 2025.

Additionally, DeSoto Directors applied for and were issued approximately A$80,000 (before costs) of new shares on the same terms as in the Placement.

Granted Tenements

			Siguiri Basin		
Tenement ID	**Name**	**Area (sq.km)**	**Type**	**Status**	**Holder**
24094	Timbakouna	45.0	Reconnaissance	Granted	ANGEX Services
24396	Syncerus (Komah)	99.3	Reconnaissance	Under renewal	Syncerus Gold SARLU
22627	Tole	50.8	Exploration	Under renewal	Wassolon Mining Group
23760	Falama	61.3	Exploration	Under renewal	Wassolon Mining Group
23761	Dabidiana	66.4	Reconnaissance	Under renewal	Societe ID Gold Mining
23759	Oromo	77.1	Exploration	Under renewal	Wassolon Mining Group
23456	Balandougou	13.5	Reconnaissance	Under renewal	MS African Partners
23400	Gbonko 2	68.6	Exploration	Under renewal	MS African Partners
24590	Kantoumanina	43.0	Exploration	Application	Societe Guinea Peak Mining
22611	Mini	55.8	Exploration	Granted	Societe Sofac SA
23395	Kassa Est	99.6	Reconnaissance	Under renewal	Societe Sofac SA
22621	Dadjan	98.5	Exploration	Under renewal	Societe ID Gold Mining
23978	Moiko	91.8	Reconnaissance	Renewal	Angex Services
23979	Alamakono	63.1	Reconnaissance	Renewal	Angex Services
22606	Koba	56.5	Exploration	Revoked/ Under renewal*	Societe ID Gold Mining
22302	Nérékoro Sud	99.8	Exploration	Revoked/ Under renewal*	Societe ID Gold Mining
24877	Yarakoura	98.1	Reconnaissance	Granted	Syncerus Gold SARLU
24875	Doutila	96.1	Reconnaissance	Granted	Syncerus Gold SARLU
24870	Branama	96.6	Reconnaissance	Granted	Sankarani Resources SARLU
24871	Dalaban	80.3	Reconnaissance	Granted	Sankarani Resources SARLU
24869	Woussoubadou	68.5	Reconnaissance	Granted	Sankarani Resources SARLU
24876	Moussaya	93.8	Reconnaissance	Granted	Syncerus Gold SARLU

*Note to the table: Since 2021, the Republic of Guinea has undertaken major reforms in the mining sector, notably the **modernisation and cleansing of the mining cadastre**, in order to improve management and transparency in line with **international best practices and ESG standards**. This process has resulted in the withdrawal of permits and authorisations that were no longer compliant with the provisions of the Mining Code and its implementing regulations. When DeSoto acquired the ANGEX properties in February 2025 it was aware that as part of the Project packages that the Nérékoro Sud, Koba and Mini Projects would be revoked, but likely re-acquired by DeSoto. Subsequent to this, the Company has received a comfort letter from the Minister of Mines assuring the Company of the Ministry of Mines' full support for the development of its Projects. These renewals are awaiting processing in accordance with current procedures. In light of the investments already made under the Technical Partnership, the Ministry understands the delays and in order to reassure partners for the financing of exploration work, in line with Article 78 of the Mining Code, the Minister has authorized Groupe Wassolon Mining and its partners, DeSoto Resources Ltd and ANGEX Services SARLU, to continue exploration work on the aforementioned permits and authorizations until completion of the cadastre modernization and regularization process.

Granted Tenements (continued)

Gauoul Gold Province					
Tenement ID	**Name**	**Area (sq.km)**	**Type**	**Status**	**Holder**
23823	Sabere	99.956	Reconnaissance	Granted	Angex Services
23732	Natatigare	99.936	Reconnaissance	Granted	Angex Services
23733	Kakony	98.61	Reconnaissance	Granted	Angex Services

<table>
<tr><th>Tenement No.</th><th>Location</th><th>Interest %</th><th>Holder</th></tr>
<tr><td>Pine Creek Projects</td><td rowspan="9">NT</td><td rowspan="9">100%</td><td rowspan="9">Mangusta Minerals Pty Ltd</td></tr>
<tr><td>EL32886</td></tr>
<tr><td>EL33188</td></tr>
<tr><td>EL33189</td></tr>
<tr><td>EL33225</td></tr>
<tr><td>EL31356</td></tr>
<tr><td>EL32148</td></tr>
<tr><td>EL31899</td></tr>
<tr><td>EL33615</td></tr>
</table>

Directors' report

The Directors present their financial report of DeSoto Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and of the consolidated group (referred to hereafter as the 'Group') being the Company and its controlled entities for the year ended 30 June 2026.

Directors

The following persons were Directors of DeSoto Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Roberts (Non-Executive Chairperson)

Finbarr (Barry) Murphy (Non-Executive Director)

Christopher Swallow (Managing Director)

Information on Directors

Paul Roberts

Independent Non-Executive Chairperson – appointed 22 April 2022
BSc, MSc, FAIG, MGSA

Experience and expertise:	Mr Roberts has a long and successful history in mineral exploration management and mine geology both in Australia and overseas. He was responsible for discovery of the world class Bankan Gold Project in Guinea, the Henty gold deposit and major extensions to the St Dizier tin deposit (both in Tasmania), as well as resource evaluations of the Kuridala copper gold deposit in North Queensland, the Bongara zinc deposit in Peru and a number of gold deposits in the Cue and Meekatharra districts in Western Australia.
Other current directorships:	Famien Resources Limited (formerly Enegex Limited) – appointed 17 November 2025
Former directorships (last 3 years):	Apollo Minerals Limited (September 2023 to June 2026)
Interests in shares:	6,618,845
Interests in options:	10,000,000
Interests in performance rights:	9,000,000

Finbarr (Barry) Murphy
Independent Non-Executive Director - appointed 22 April 2022
BA (Nat Sci), Ph D, FAIG, MGSA, FGSL, MSGA

Experience and expertise:	Dr Murphy has had a highly successful career in mineral exploration, consulting and research. He is a Geoscientist with expertise in structural geology, geophysics, remote sensing and GIS analysis. He has significant base and precious-metal exploration experience in Australia, West Africa, Sudan, DRC, South America, Indonesia and Europe and he was a member of the Bankan Gold discovery team in Guinea.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	3,275,000
Interests in options:	6,025,000
Interests in performance rights:	8,000,000

Christopher Swallow
Managing Director - appointed 01 April 2022
BA

Experience and expertise:	Mr Swallow has more than 15 years' experience in executive roles across Australia, Asia and Africa. He was previously the Chief Executive Officer of BPM Minerals Limited, a Western Australian-focused exploration company with gold and base-metal projects. Mr Swallow has also worked in an operational capacity as the Corporate Development Officer for Guinea-focused gold explorer Predictive Discovery Limited and Minbos Resources Limited and he has worked in strategic communications as an advisor to numerous ASX-listed Australian, North American and West African mineral explorers, covering a range of commodities including gold, nickel, zinc and copper.
Other current directorships:	None
Former directorships (last 3 years):	Lord Resources Ltd (April 2021 to July 2025)
Interests in shares:	3,802,691
Interests in options:	4,050,000
Interests in performance rights:	11,140,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Tony Tomba (appointed 1 April 2022) (B,Bus, CA, GAICD)

Mr Tomba is an experienced Finance Executive, having held various Senior Finance and head office tax roles in Australia and overseas, during his 19 years with the Schlumberger Group, after which he held Senior Finance positions for companies operating in the international aviation and domestic offshore marine sectors.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Paul Roberts	5	5
Finbarr (Barry) Murphy	5	5
Christopher Swallow	5	5

Held: represents the number of meetings held during the time the Director held office.

Review of operations

The loss for the Group after providing for income tax amounted to $15,024,772 (30 June 2025: $2,908,104).

For the review of the Group's operations refer to the Operations Review section at page 3 of this report.

Risk overview

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of these activities. The material business risks that the Group faces that could influence the Group's future prospects and how these are managed, are outlined below.

Exploration and operational

Mineral exploration and development are speculative undertakings. As the Group is in the early stages of exploration there can be no assurance the exploration on its projects will result in the discovery of an economic mineral resource or that it can be economically exploited. In the event that exploration programmes prove to be unsuccessful this will lead to diminution in the value of the projects, a reduction in cash reserves and possible relinquishment of the mineral exploration licences associated with the projects.

The Group's future exploration activities may be affected by a range of factors including geological conditions, adverse weather and unanticipated operational or technical difficulties beyond the control of the Group. This is managed where possible by undertaking exploration activities when more favourable seasonal weather patterns are expected and extensive planning and completion of the work by experienced professionals.

Tenure Renewal

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. The Group considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the Northern Territory and Guinea and the ongoing expenditure budgeted for tenements held.

Capital

The development of the Group's projects may require additional funding. If the Group is unable to obtain additional funding as needed, it may be required to scale back its exploration programmes.

Government Regulations - Australia

The future development of the Group's projects will be subject to obtaining approvals from the relevant government authorities. Any material adverse changes in government policies or legislation in the Northern Territory and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, and environmental issues may affect the viability and profitability of any future development of the Group's projects. No assurance can be given that the new regulations will not be enacted or that the existing rules and regulations will not be applied in a manner which could adversely impact the Group's mineral properties.

Risk overview (continued)

Foreign Jurisdiction Risk

The Company operates in areas that may be considered politically unstable and is subject to the laws of a foreign jurisdiction, Guinea. Risks exist in terms of the relevant governmental approvals for the various activities which the Permits require and the timetable associated with obtaining such approvals. There can be no assurance that the actions of present or future national governments will not materially and adversely affect the business, financial condition or results of operations of the Company. Through its operations in Guinea, the Company may become subject to economic and political risks such as the renegotiation, cancellation or forced modification of existing contracts, expropriation or nationalisation of property, changes in laws or policies or increasing legal and regulatory requirements, including those relating to tax, royalties, imports, exports, duties, currency or other claims by government entities (including retroactive claims or changes in administration of laws, policies and practices),uncertain political and economic environments, war, terrorism, sabotage and civil disturbances, delays or inability to obtain or maintain necessary government permits or to operate in accordance with such permits or regulatory requirements and currency fluctuations.

Global market and financial conditions

The mineral resource industry and other industries are impacted by global market and financial conditions. Some of the key impacts of market uncertainty caused by global geopolitical tensions and inflationary economic environments may result in contraction in credit markets resulting in widening of credit risk, devaluations and volatility in global equity, commodity, foreign exchange and precious metal markets. Due to the current nature of the Group's activities a slowdown in the financial markets or other economic conditions may adversely affect the Group's share price, growth potential and ability to finance its activities.

Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:

- the emergence of new or expanded regulations associated with the transition to a lower-carbon economy and market changes related to climate change mitigation. While the Group endeavours to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns, extreme weather events and longer term physical risks such as shifting climate patterns. These risks may significantly change the industry in which the Group operates.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

July 2026 - DeSoto-Fortuna alliance secured its first acquisition package

After year-end, High Guinea Gold SARLU, the Guinean vehicle associated with the DeSoto-Fortuna alliance, entered a Heads of Agreement with Wassolon Mining Group SAU for seven selected gold projects covering 591.43 km^2. The transaction included a three-month due diligence period and staged payments linked to tenure progression and exploration milestones. The structure was designed to provide immediate access for project review and target ranking while managing the tenure risk inherent in the conversion of reconnaissance authorisations and applications to exploration permits.

Following due diligence, the proposed work program includes verification of tenure status and boundaries, compilation of historical data, regolith and structural interpretation, reconnaissance mapping, geochemical sampling and ranking of priority targets. Projects that satisfy the alliance criteria may be designated as "Go Projects" and become eligible for Fortuna's sole-funded exploration commitment under the joint venture.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation

The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Company's detailed corporate governance policy statement can be found on the Company's web site at: desotoresources.com.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- **Principles used to determine the nature and amount of remuneration**
- **Details of remuneration**
- **Service agreements**
- **Share-based compensation**
- **Additional disclosures relating to key management personnel**

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, raising capital for current and additional projects and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The maximum annual aggregate remuneration was set at $300,000 by shareholders at the Annual General Meeting held on 21 November 2023. Any variations in future periods will require shareholder approval.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Options and Performance Rights are awarded to executives to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value. Options and Performance Rights issued as remuneration are granted for no consideration and do not carry voting rights or dividend entitlements.

Use of remuneration consultants

The Board did not engage a remuneration consultant to make any recommendations in relation to its remuneration policies for any of the key management personnel for the Company during the period. However, the Board did benchmark key management personnel and board remuneration against independently prepared remuneration reports during the period.

Link between Group performance and executive remuneration

The focus of executive remuneration over the financial year was fixed remuneration and performance rights (i.e., growing the value of the Company as reflected through share price and achieving certain JORC compliant resource estimate targets) which seeks to ensure that executive remuneration is appropriately aligned with the business strategy and shareholder interests.

Voting and comments made at the Company's FY2025 Annual General Meeting ('AGM')

At the Company's AGM held on 20 November 2025, 99.23% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
2026	**Cash salary and fees $**	**Non-monetary[1] $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
Paul Roberts	80,000	-	-	-	174,308	254,308
Finbarr (Barry) Murphy	50,000	-	-	-	154,940	204,940
Other Key Management Personnel:						
Christopher Swallow[2]	275,000	(5,630)	33,000	-	229,775	532,145
	405,000	**(5,630)**	**33,000**	**-**	**559,023**	**991,393**

1. Relates to movement in annual leave provisions for the period.
2. Cash salary for the current year includes $25,000 relating to annual leave that was cashed out during the year.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
2025	**Cash salary and fees $**	**Non-monetary[1] $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
Paul Roberts	80,000	-	-		-	80,000
Finbarr (Barry) Murphy	50,000	-	-		-	50,000
Other Key Management Personnel:						
Christopher Swallow	278,846	(21,397)	32,067	-	36,100	325,616
Bianca Manzi[2]	73,303	(10,303)	8,430	-	19,996	91,426
	482,149	**(31,700)**	**40,497**	**-**	**56,096**	**547,042**

1. Relates to movement in annual leave provisions for the year.
2. Bianca Manzi's employment with the Company ended on 31 December 2024.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Non-Executive Directors:						
Paul Roberts	31%	100%	-	-	69%	-
Finbarr (Barry) Murphy	24%	100%	-	-	76%	-
Other Key Management Personnel:						
Christopher Swallow	57%	89%	-	-	43%	11%
Bianca Manzi	-	78%	-	-	-	22%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Christopher Swallow
Title:	Managing Director
Agreement commenced:	1 November 2022
Term of agreement:	The employment agreement may be terminated by either Mr Swallow or the Company by providing three months' notice in writing.
Details:	Base fee: $250,000 (plus superannuation)

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Class	Grant date	Expiry date	Expensed in 2026 $	Fair value per right at grant date $
Class A(1)	1 December 2022	1 December 2027	14,774	0.193
Class B(1)	1 December 2022	1 December 2027	13,101	0.193
Class C(1)	1 December 2022	1 December 2027	4,112	0.200
Class D(1)	1 December 2022	1 December 2027	2,056	0.200
Class E(1)	1 December 2022	1 December 2027	2,056	0.200
Class F	20 November 2025	28 November 2030	174,308	0.160
Class G	20 November 2025	28 November 2030	174,308	0.160
Class H	20 November 2025	28 November 2030	174,308	0.160

(1) The performance measurement period for the above performance rights is 1 December 2022 to 1 December 2027.

The vesting conditions for each Class of Performance Rights are summarised below;

Class	Grant date	Vesting conditions
Class A	1 December 2022	Vesting and becoming exercisable upon the later of: a. the 12 month anniversary of the Company's IPO; and b. the Company's share price achieving a VWAP of $0.25 over any 20 consecutive trading days on which the shares are recorded on the ASX.
Class B	1 December 2022	Vesting and becoming exercisable upon the later of: a. the 24 month anniversary of the Company's IPO; and b. the Company's share price achieving a VWAP of $0.30 over any 20 consecutive trading days on which the shares are recorded on the ASX.
Class C	1 December 2022	The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, with a cut-off grade of 0.5g/t.
Class D	1 December 2022	The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, with a cut-off grade of 0.5g/t.
Class E	1 December 2022	The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, with a cut-off grade of 0.5g/t.
Class F	20 November 2025	Vesting upon announcement of an Inferred (or higher) Mineral Resource Estimate of 2 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
Class G	20 November 2025	Vesting upon announcement of an Inferred (or higher) Mineral Resource Estimate of 4 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
Class H	20 November 2025	Vesting upon announcement of an Inferred (or higher) Mineral Resource Estimate of 6 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.

The fair values at grant date in the table above have been determined using a Hoadley Barrier1 option pricing model (Classes A and B). For Classes C, D, E, which have non-market-based vesting conditions, the fair value at grant date is the IPO issue price of $0.20 per right. For Classes F and G which have non-market-based vesting conditions, the fair value is the share price at grant date of $0.16 per right. The Classes A and B valuations take into consideration the following inputs:

- Exercise price of nil
- Volatility of 100%
- Implied life of 5 years
- Risk free rate of 3.17%
- Dividend yield of nil

There were no performance rights over ordinary shares held by Directors and other key management personnel as part of compensation that vested during the year ended 30 June 2026.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions[1]	Disposals/ other	Balance at the end of the year
Ordinary shares					
Non-Executive Directors:					
Paul Roberts	6,493,845	-	125,000	-	6,618,845
Finbarr (Barry) Murphy	3,150,000	-	125,000	-	3,275,000
Other Key Management Personnel:					
Christopher Swallow	3,677,691	-	125,000	-	3,802,691
	13,321,536	**-**	**375,000**	**-**	**13,696,536**

1. Additions includes participation in share placement held during the year

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Non-Executive Directors:					
Paul Roberts	10,000,000	-	-	-	10,000,000
Finbarr (Barry) Murphy	6,025,000	-	-	-	6,025,000
Other Key Management Personnel:					
Christopher Swallow	4,050,000	-	-	-	4,050,000
	20,075,000	**-**	**-**	**-**	**20,075,000**

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Non-Executive Directors:					
Paul Roberts	-	9,000,000	-	-	9,000,000
Finbarr (Barry) Murphy	-	8,000,000	-	-	8,000,000
Other Key Management Personnel:					
Christopher Swallow	1,140,000	10,000,000	-	-	11,140,000
	1,140,000	**27,000,000**	**-**	**-**	**28,140,000**

Other related party transactions are disclosed in note 22.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of DeSoto Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 April 2022	1 April 2027	$0.250	33,975,000
1 December 2022	1 December 2027	$0.350	1,600,000
23 May 2023	23 May 2028	$0.250	36,870,338
17 July 2023	23 May 2028	$0.250	7,604,672
28 June 2024	28 June 2029	$0.230	1,600,000
7 May 2025	7 May 2030	$0.000	2,000,000
9 May 2025	9 May 2029	$0.114	9,204,808
20 November 2025	28 November 2030	$0.000	14,000,000
			106,854,818

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of DeSoto Resources Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
1 December 2022	1 December 2027	2,750,000
20 November 2025	28 November 2030	27,000,000
		29,750,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of DeSoto Resources Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
7 May 2025	$0.086	500,000

Shares issued on the exercise of performance rights

There were no ordinary shares of DeSoto Resources Limited issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Officers of the Company who are former partners of HLB Mann Judd

There are no officers of the Company who are former partners of HLB Mann Judd.

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.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Paul Roberts
Non-Executive Chairperson

22 September 2026
Perth, Western Australia

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of DeSoto Resources Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
22 September 2026

N G Neill
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Financial Statements

DESOTO RESOURCES

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Income			
Interest income		272,531	151,964
Other income		3,014	1,251
Expenses			
Accounting and audit fees		(234,648)	(89,241)
Consultants and contractors	5	(160,326)	(231,507)
Corporate costs		(244,515)	(169,078)
Depreciation and amortisation expense		(70,187)	(65,467)
Non-executive directors fees		(130,000)	(130,000)
Employee benefits expense		(515,156)	(443,087)
Exploration and evaluation impairment	12	(6,347,819)	(244,105)
Exploration and evaluation expenditure		(6,504,861)	(1,470,363)
Finance costs	14	(2,203)	(3,842)
Listing and compliance		(139,967)	(121,299)
Share-based payments	26	(999,313)	(100,988)
Unrealised foreign exchange gain		48,678	7,658
Loss before income tax expense		(15,024,772)	(2,908,104)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of DeSoto Resources Limited		(15,024,772)	(2,908,104)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of DeSoto Resources Limited		(15,024,772)	(2,908,104)
		Cents	**Cents**
Basic loss per share	17	(6.15)	(2.73)
Diluted loss per share	17	(6.15)	(2.73)

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

Statement of financial position

As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	7	9,155,054	6,244,738
Trade and other receivables	9	80,031	128,590
Other		35,980	30,787
Total current assets		9,271,065	6,404,115
Non-current assets			
Plant and equipment	11	212,979	82,186
Right-of-use assets	10	40,645	94,838
Exploration and evaluation	12	4,020,217	7,500,610
Other		5,104	5,101
Total non-current assets		4,278,945	7,682,735
Total assets		13,550,010	14,086,850
Liabilities			
Current liabilities			
Trade and other payables	13	695,285	757,096
Lease liabilities	14	44,251	56,623
Employee benefits		52,971	32,808
Total current liabilities		792,507	846,527
Non-current liabilities			
Lease liabilities	14	-	44,251
Total non-current liabilities		-	44,251
Total liabilities		792,507	890,778
Net assets		12,757,503	13,196,072
Equity			
Issued capital	15	31,265,208	17,635,131
Reserves	16	2,734,174	1,778,048
Accumulated losses		(21,241,879)	(6,217,107)
Total equity		12,757,503	13,196,072

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

Statement of changes in equity

For the year ended 30 June 2026

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	11,414,446	935,476	(3,309,003)	9,040,919
Loss after income tax expense for the year	-	-	(2,908,104)	(2,908,104)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,908,104)	(2,908,104)
Transactions with owners in their capacity as owners:				
Issue of shares - Copperoz Pty Ltd	3,820,687	-	-	3,820,687
Issue of broker options	-	741,584	-	741,584
Issue of shares - Angex Australia Pty Ltd (note 15)	2,399,998	-	-	2,399,998
Share based payments (note 26)	-	100,988	-	100,988
Balance at 30 June 2025	17,635,131	1,778,048	(6,217,107)	13,196,072

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	17,635,131	1,778,048	(6,217,107)	13,196,072
Loss after income tax expense for the year	-	-	(15,024,772)	(15,024,772)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(15,024,772)	(15,024,772)
Transactions with owners in their capacity as owners:				
Issue of shares, net of transaction costs (note 15)	13,586,890	-	-	13,586,890
Share based payments (note 26)	-	999,313	-	999,313
Transfer of share based-payment reserve upon exercise of options (note 15)	43,187	(43,187)	-	-
Balance at 30 June 2026	31,265,208	2,734,174	(21,241,879)	12,757,503

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

Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,467,887)	(1,272,574)
Payments for exploration and evaluation expensed		(6,507,765)	(1,432,490)
Payment for acquisition of mining tenements (option fee)		-	(154,045)
Interest received		272,531	151,964
Net cash used in operating activities	8	(7,703,121)	(2,707,145)
Cash flows from investing activities			
Payments for exploration and evaluation		(2,109,006)	(920,740)
Payments for property, plant and equipment	11	(121,654)	(51,590)
Payment for acquisition of mining tenements		(723,862)	-
Cash acquired on acquisition		-	111,524
Receipt of state government grant		-	98,424
Advances to related party		-	(471,809)
Net cash (used in)/from investing activities		(2,954,522)	(1,234,191)
Cash flows from financing activities			
Proceeds from issue of shares	15	14,000,000	4,786,501
Proceeds from issue of options		-	92
Share issue transaction costs		(425,110)	(212,322)
Repayment of lease liabilities	14	(58,824)	(58,576)
Net cash from financing activities		13,516,066	4,515,695
Net increase in cash and cash equivalents		2,858,423	574,359
Cash and cash equivalents at the beginning of the financial year		6,244,738	5,659,619
Effects of exchange rate changes on cash and cash equivalents		51,893	10,760
Cash and cash equivalents at the end of the financial year	7	9,155,054	6,244,738

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

Notes to the financial statements

30 June 2026

Note 1. General information

The financial statements cover DeSoto Resources Limited as a Group consisting of DeSoto Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is DeSoto Resources Limited's functional and presentation currency.

DeSoto Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

16/100 Railway Road, Daglish, WA, 6008

A description of the nature of the Group'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 22 September 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Statement of material accounting policies

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Statement of material accounting policies (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is DeSoto Resources Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

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 Group for the annual reporting period ended 30 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. 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 Group 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, Trinomial, Hoadley Barrier1 option pricing model 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined at note 12 for exploration expenditure incurred by or on behalf of the Group.

The recoverability of exploration and evaluation assets is dependent on the successful development and exploitation, or alternatively, sale of an area of interest. The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the carrying value of capitalised costs.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 4. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The business is analysed in two geographical segments namely, Australia and the Republic of Guinea. The principal activity in these locations is mineral exploration and evaluation.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

All amounts reported to the Board of Directors as the chief decision maker are determined in accordance with AASB 8 Operating Segments.

Note 4. Operating segments (continued)

Operating segment information

	Australia $	Guinea $	Total $
Consolidated - 2026			
Revenue			
Other income	275,545	-	275,545
Total revenue	275,545	-	275,545
Segment result after income tax	(8,847,098)	(6,177,674)	(15,024,772)
Assets			
Segment assets	9,177,023	4,372,987	13,550,010
Total assets			13,550,010
Total assets includes:			
Exploration and evaluation assets	-	4,020,217	4,020,217
Liabilities			
Segment liabilities	225,968	566,539	792,507
Total liabilities			792,507

	Australia $	Guinea $	Total $
Consolidated - 2025			
Revenue			
Other income	153,215	-	153,215
Total revenue	153,215	-	153,215
Segment result after income tax	(2,179,554)	(728,550)	(2,908,104)
Assets			
Segment assets	13,474,277	612,573	14,086,850
Total assets			14,086,850
Total assets includes:			
Exploration and evaluation assets	4,639,962	2,860,648	7,500,610
Liabilities			
Segment liabilities	732,864	157,914	890,778
Total liabilities			890,778

Note 5. Consultants and contractors

	Consolidated	
	2026 $	2025 $
Legal	63,240	111,716
Marketing	71,979	91,714
Other	25,107	28,077
	160,326	231,507

Note 6. Income tax

	Consolidated	
	2026 $	2025 $
Income tax expense		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(15,024,772)	(2,908,104)
Tax at the statutory tax rate of 30%	(4,507,432)	(872,431)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-allowable items	2,284,022	515,785
Revenue losses not recognised	2,040,270	886,898
Other deferred tax balances not recognised	183,140	(530,252)
Income tax expense	-	-

	Consolidated	
	2026 $	2025 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Prepayments	(10,794)	-
Right of use asset	(12,194)	-
Exploration and evaluation	-	(446,964)
Others	-	(149,481)
Carrying forward revenue losses	22,988	596,445
Deferred tax liability	-	-

Note 6. Income tax (continued)

	Consolidated	
	2026 $	2025 $
Deferred tax assets and liabilities not recognised		
Deferred tax assets and liabilities not recognised comprises temporary differences attributable to:		
Carry forward revenue losses	3,299,851	290,453
Provisions and accruals	14,605	65,375
Exploration and evaluation expenditure	316,435	-
Capital raising costs	234,108	-
Other	13,280	818
Total deferred tax assets and liabilities not recognised	3,878,279	356,646

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

	Consolidated	
	2026 $	2025 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	9,229,849	7,843,783
Potential tax benefit @ 30%	2,768,955	2,353,135

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Comparative figures in the tables above have been restated to match the current year format. The overall tax position has not changed.

Tax consolidation

For the purpose of income taxation, the Company and its 100% Australian controlled eligible entities have formed a tax consolidated group.

Tax rate

The corporate tax rate for eligible companies is 25%, provided certain turnover thresholds and other eligibility criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are measured at the tax rates expected to apply when the assets are realised or the liabilities are settled. The Directors have determined that the deferred tax balances are measured using the applicable tax rates stated above.

Note 7. Cash and cash equivalents

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Cash on hand	7,784	125,776
Cash at bank	9,147,270	6,118,962
	9,155,054	6,244,738

Note 8. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2026 $	Consolidated 2025 $
Loss after income tax expense for the year	(15,024,772)	(2,908,104)
Adjustments for:		
Depreciation and amortisation	70,187	65,467
Share-based payments	999,313	100,988
Lease adjustment gain	-	(2,610)
Finance expense	2,203	3,842
Unrealised foreign exchange (gain)/loss	(48,678)	(7,658)
Exploration written off	6,347,819	244,105
Tenement acquisition - option fee	-	(154,045)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	48,559	(65,140)
(Increase)/decrease in prepayments	(5,193)	21,132
(Decrease)/increase in trade and other payables	(112,722)	33,409
Increase/(decrease) in employee benefits	20,163	(38,531)
Net cash used in operating activities	(7,703,121)	(2,707,145)

Non-cash investing and financing activities

	Consolidated 2026 $	Consolidated 2025 $
Shares issued to broker in lieu of 50% cash fee for the share placement (2,561,125 fully paid ordinary shares (note 15))	473,808	-
Exercise of employee options for nil cash consideration (500,000 options (note 15))	43,187	-
Shares issued as part consideration for the acquisition of Angex (19,999,983 fully paid ordinary shares (note 15))	-	2,399,998
Options issued to sole lead manager for share placement (9,204,808 options (note 16))	-	741,584
	516,995	3,141,582

Note 9. Trade and other receivables

	Consolidated	
	2026 $	2025 $
Current assets		
Other receivables	61,226	61,241
GST receivable	18,805	67,349
	80,031	128,590

Note 10. Right-of-use assets

	Consolidated	
	2026 $	2025 $
Non-current assets		
Buildings - right-of-use	261,933	261,933
Less: Accumulated depreciation	(221,288)	(167,095)
	40,645	94,838

Movements

	Consolidated	
	2026 $	2025 $
Opening balance	94,838	150,020
Additions	-	-
Lease adjustments	-	(2,610)
Amortisation charge	(54,193)	(52,572)
Closing balance	40,645	94,838

Note 11. Plant and equipment

	Consolidated	
	2026 $	2025 $
Non-current assets		
Leasehold improvements - at cost	49,749	49,749
Less: Accumulated depreciation	(42,029)	(31,736)
	7,720	18,013
Plant and equipment - at cost	202,754	51,590
Less: Accumulated depreciation	(11,767)	(1,951)
	190,987	49,639
Computer and office equipment - at cost	18,820	15,185
Less: Accumulated depreciation	(4,548)	(651)
	14,272	14,534
	212,979	82,186

Note 11. Plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements $	Plant and equipment $	Computer and office equipment $	Total $
Consolidated				
Balance at 1 July 2024	28,306	51,590	-	79,896
Additions through asset acquisitions	-	-	15,185	15,185
Depreciation expense	(10,293)	(1,951)	(651)	(12,895)
Balance at 30 June 2025	18,013	49,639	14,534	82,186
Additions	-	151,164	3,635	154,799
Depreciation expense	(10,293)	(9,816)	(3,897)	(24,006)
Balance at 30 June 2026	7,720	190,987	14,272	212,979

Accounting policy for plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	5-10 years
Computer and office equipment	5-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Exploration and evaluation

	Consolidated	
	2026 $	2025 $
Non-current assets		
Exploration and evaluation - at cost	4,020,217	7,500,610

	Consolidated	
	2026 $	2025 $
Opening balance	7,500,610	3,542,453
Expenditure during the year	1,707,856	1,439,632
Exploration expenditure written-off[1]	(6,347,819)	(244,105)
Tenement acquisition[2]	1,159,570	-
Additions through asset acquisition – Angex Australia Pty Ltd	-	2,861,054
Northern Territory government geophysics co-funding grant	-	(98,424)
Closing balance	4,020,217	7,500,610

1. During the year, the Group wrote off a total $6,347,819 of capitalised exploration expenditure on its Northern Territory projects following a strategic review.

2. During the year the Company entered into agreements with United Mining SARL (UGM) to acquire the Doutila, Moussaya, Yarakoyura, Dalaban, Woussoubadou and Branama Projects in the Southwest-Siguiri region (Acquired Projects). The Company has agreed to pay the following as consideration for the Acquired Projects;

For the acquisition of the Dalaban, Woussoubadou and Branama Projects, US$50,000 cash upon signing the initial partnership agreement with UGM, US$250,000 cash and an aggregate 2,846,031 DeSoto fully paid ordinary shares in three separate tranches if the following milestones are achieved (Deferred Milestone Shares):

- US$150,000 and 948,677 Deferred Milestone Shares (Tranche One) to be issued on the grant of Reconnaissance Authorisations No. 24670, 24715 and 24671 in favor of the Company or one of its subsidiaries, with any payment and any issuance of shares conditional upon the effective registration of the said authorisations in the name of the Company or one of its subsidiaries with the Mining Cadastre.
- US$100,000 and 948,677 Deferred Milestone Shares (Tranche Two) to be issued on the grant of exploration permits in favour of the Company or one of its subsidiaries, it being expressly agreed that any payment and any issuance of shares shall be conditional upon the effective registration of said permits in the name of the Company or one of its subsidiaries in the Mining Cadastre.
- 948,677 Deferred Milestone Shares (Tranche Three) to be issued Twelve months after the grant of the exploration permits. Any issuance of shares shall occur only after the effective registration of said permits in the name of DeSoto or one of its subsidiaries in the Mining Cadastre.

For the acquisition of the the Yarakoura, Doutila and Moussaya Projects, US$300,000 and an aggregate 1,702,741 Deferred Milestone Shares to be issued on the grant of Reconnaissance Authorizations No. 24764, 24765, 24824 in favor of the Company or one of its subsidiaries, with any payment and any issuance of shares conditional upon the effective registration of the said authorizations in the name of the Company or one of its subsidiaries with the Mining Cadastre.

Note 12. Exploration and evaluation (continued)

Consideration for the Acquired Projects totalling US$800,000 has been capitalised as exploration and evaluation expenditure during the year. This comprises US$50,000 payable upon execution of the partnership agreement and US$750,000 in both cash payments and shares which became payable upon achievement of the relevant contractual milestones. Refer to note 13 on consideration outstanding as at 30 June 2026.

No amount has been recognised in respect of the Tranche 2 and Tranche 3 Deferred Milestone Shares, as the relevant contractual milestones have not yet been satisfied.

Accounting policy for exploration and evaluation assets - Australia

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred unless one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

Accounting policy for exploration and evaluation assets – Guinea

Exploration and evaluation expenditure incurred in relation to the Company's tenements in Guinea is expensed as incurred, with the exception of consideration for the acquisition of projects, which is accumulated in respect of each identifiable area of interest. These costs are only 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 that permits reasonable assessment of the existence of economically recoverable reserves.

The directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

Note 13. Trade and other payables

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Trade payables	105,137	476,650
Accruals	121,215	280,446
Share consideration payable (United Mining SARL)	435,708	-
Other payables	33,225	-
	695,285	757,096

Share consideration payable represents deferred share consideration relating to the acquisition of the Yarakoura, Doutila and Moussaya Projects. The shares will be issued post shareholder approval. Refer to note 12 for further details.

Refer to note 18 for further information on financial instruments.

Note 14. Lease liabilities

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Lease liability	44,251	56,623
Non-current assets		
Lease liability	-	44,251

	Consolidated 2026 $	Consolidated 2025 $
Amounts recognised in profit or loss		
Interest on lease liability	2,203	3,837
Amounts recognised in statement of cash flows		
Payments for lease liability	58,824	58,576

Refer to note 18 for the lease liability maturity analysis based on contractual undiscounted cashflows.

Note 15. Issued capital

	Consolidated			
	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	276,785,579	186,224,454	31,265,208	17,635,131

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	92,586,000		11,414,446
Issued capital - share placement	6 May 2025	73,638,471	$0.065	4,786,501
Issued capital - acquisition of Angex Australia Pty Ltd	7 May 2025	19,999,983	$0.120	2,399,998
Capital raising costs		-	$0.000	(965,814)
Balance	30 June 2025	186,224,454		17,635,131
Issued capital - cashless exercise of options	9 July 2025	500,000	$0.000	43,187
Issued capital - Tranche 1 share placement	20 October 2025	46,681,113	$0.160	7,468,978
Issued capital - Tranche 2 share placement	28 November 2025	40,818,887	$0.160	6,531,022
Share based payment[1]	30 December 2025	2,561,125	$0.185	473,808
Capital raising costs		-	$0.000	(886,918)
Balance	30 June 2026	276,785,579		31,265,208

1. The Company issued ordinary shares to JLM Brokers in lieu of 50% of the cash fee for the placement with the shares being valued on the date of completion of placement. The offsetting amount was recorded within capital raising costs.

Movements in options on issue

Details	Date	Options	Issue price
Balance	1 July 2024	81,650,010	
Issue of employee options	7 May 2025	2,500,000	$0.000
Issue of broker options	9 May 2025	9,204,808	$0.114
Balance	30 June 2025	93,354,818	
Exercise of employee options	9 July 2025	(500,000)	$0.000
Issue of employee options (note 26)	28 November 2025	14,000,000	$0.000
Balance	30 June 2026	106,854,818	

Note 15. Issued capital (continued)

Movements in performance rights on issue

Details	Date	Rights
Balance	1 July 2024	2,750,000
Balance	30 June 2025	2,750,000
Granted	20 November 2025	27,000,000
Balance	30 June 2026	29,750,000

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise additional capital when an opportunity to invest in a business or company was seen as value adding relative to the company's share price at the time of the investment.

The Group is not subject to any financing arrangements or covenants.

Note 16. Reserves

	Consolidated	
	2026 $	2025 $
Share-based payments reserve	1,547,840	591,714
Options reserve	1,186,334	1,186,334
	2,734,174	1,778,048

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Options reserve

The reserve is used to recognise the value of options issued to investors that have been paid for in cash.

Note 16. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Options $	Share-based payments $	Total $
Balance at 1 July 2024	444,750	490,726	935,476
Value of performance rights and options expensed (note 26)	-	100,988	100,988
Issue of broker options	741,584	-	741,584
Balance at 1 July 2025	1,186,334	591,714	1,778,048
Value of performance rights and options expensed (note 26)	-	999,313	999,313
Transfer of share-based payment reserve upon exercise of options	-	(43,187)	(43,187)
Balance at 30 June 2026	1,186,334	1,547,840	2,734,174

Note 17. Earnings per share

	Consolidated 2026 $	Consolidated 2025 $
Loss after income tax attributable to the owners of DeSoto Resources Limited	(15,024,772)	(2,908,104)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	244,437,883	106,679,722
Weighted average number of ordinary shares used in calculating diluted earnings per share	244,437,883	106,679,722
	Cents	**Cents**
Basic loss per share	(6.15)	(2.73)
Diluted loss per share	(6.15)	(2.73)

At 30 June 2026, 106,854,818 options (2025: 93,354,818 options) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Note 18. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk management is carried out by senior management and the Board of Directors ('the Board') who evaluate and hedge financial risks within the Group.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Group has exposure to Guinean Franc (GNF) and United States Dollar (USD) which arises from payments made in country in relation to its exploration activities in Guinea. At the reporting date, the Group's exposure to foreign currency risk is not considered to be significant.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group only has interest rate risk relating to its funds on deposit with banking institutions. Accordingly, the Group does not hedge its interest rate risk exposure. At 30 June 2026, if interest rates had increased/(decreased) by 100 basis points from the weighted average effective rate for the year, with other variables constant, the loss for the year would have been $91,551 lower/(higher) (2025: $62,447).

As at the reporting date, the Group had the following financial assets with exposure to interest rate risk, which is not material to the Group:

	2026		2025	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash assets	4.52%	9,155,054	4.23%	6,244,738
Net exposure to cash flow interest rate risk		9,155,054		6,244,738

Other financial instruments of the Group that are not included in the table above are non-interest bearing or have fixed interest rates and are therefore not subject to interest rate risk.

An analysis by remaining contractual maturities in shown in 'Liquidity risk' below.

Credit risk

Credit risk represents the risk of financial loss to the Company if a customer or counterparty of the financial instrument fails to meet its contractual obligations. The Group is not exposed to any significant credit risk.

As the Group operates primarily in exploration activities, it does not have any other material trade receivables and therefore is not exposed to any further credit risk in relation to trade receivables. There are no financial assets past due and there is no management or credit risk through performing and aging analysis; therefore, an aging analysis has not been disclosed.

Note 18. Financial instruments (continued)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2026	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade payables	-	695,285	-	-	-	695,285
Interest-bearing - variable						
Lease liability	3.13%	44,714	-	-	-	44,714
Total non-derivatives		739,999	-	-	-	739,999

Consolidated - 2025	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade payables	-	757,096	-	-	-	757,096
Interest-bearing - variable						
Lease liability	3.13%	58,822	44,714	-	-	103,536
Total non-derivatives		815,918	44,714	-	-	860,632

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

The Group holds a number of financial assets and liabilities measured at fair value on a recurring basis. The carrying values of other financial instruments are considered to be a reasonable approximation of fair value.

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the Company:

	Consolidated	
	2026 $	2025 $
Audit services - HLB Mann Judd		
Audit or review of the financial statements	49,657	43,443

Note 20. Contingent liabilities

As disclosed in note 12, the Group acquired the Yarakoura, Doutila and Moussaya Projects during the year. Under the partnership agreement, contingent consideration of US$100,000 cash payment and the equivalent of US$200,000 in Deferred Milestone Shares will become payable upon achievement of the following milestones:

- US$100,000 cash and the equivalent of US$100,000 in Deferred Milestone Shares (Tranche Two) to be issued on the grant of exploration permits in favour of the Company or one of its subsidiaries, it being expressly agreed that any payment and any issuance of shares shall be conditional upon the effective registration of said permits in the name of the Company or one of its subsidiaries in the Mining Cadastre.
- The equivalent of US$100,000 in Deferred Milestone Shares (Tranche Three) to be issued Twelve months after the grant of the exploration permits. Any issuance of shares shall occur only after the effective registration of said permits in the name of DeSoto or one of its subsidiaries in the Mining Cadastre.

As the relevant contractual conditions had not been satisfied at 30 June 2026, no liability has been recognised in respect of this contingent consideration.

There were no other contingent liabilities as at 30 June 2026 (2025: Nil).

Note 21. Commitments

The Group has the following commitments principally relating to the minimum expenditure requirements for its granted tenements;

	Consolidated	
	2026 $	2025 $
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,767,887	4,675,857
Payable later than one year but not later than five years	16,429,535	17,515,902
	21,197,422	22,191,759

Note 22. Related party transactions

Parent entity

DeSoto Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Joint ventures

Interests in joint ventures are set out in note 25.

Key management personnel compensation

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

	Consolidated	
	2026 $	2025 $
Short-term benefits	399,370	450,449
Post-employment benefits	33,000	40,497
Share-based payments	559,023	56,096
	991,393	547,042

Detailed remuneration disclosures are provided in the remuneration report.

Other key management personnel transactions

A number of related companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel, including close family members and entities over which they have control or significant influence, were as follows:

	Consolidated	
	2026 $	2025 $
Consulting services charged by Fractore Pty Ltd, a company which Dr Finbarr (Barry) Murphy is a director[1]	37,800	57,660
Consulting services charged by Wireless Hill Pty Ltd, a company which Mr Paul Roberts is a director[1]	-	5,550
Design services charged by Propel Agency Pty Ltd, a company in which Mr Christopher Swallow has a 50% ownership interest[1]	25,742	30,776
Consulting services charged by Ms Bianca Manzi[1]	-	13,195

1 Amount not included in remuneration report

Note 22. Related party transactions (continued)

Receivable from and payable to related parties

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

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026 **$**	**2025** **$**
Loss after income tax	(15,024,772)	(2,908,104)
Total comprehensive loss	(15,024,772)	(2,908,104)

Statement of financial position

	Parent	
	2026 **$**	**2025** **$**
Total current assets	8,937,059	6,103,285
Total assets	12,876,696	13,448,397
Total current liabilities	119,193	208,074
Total liabilities	119,193	252,325
Equity		
Issued capital	31,265,208	17,635,131
Share-based payments reserve	1,547,840	591,714
Options reserve	1,186,334	1,186,334
Accumulated losses	(21,241,879)	(6,217,107)
Total equity	12,757,503	13,196,072

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Note 23. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 24. 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 2:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
Mangusta Minerals Pty Ltd	Australia	100.00%	100.00%
MN25 Investments Pty Ltd	Australia	100.00%	100.00%
Benin Aust Minerals	Benin	100.00%	100.00%
Angex Australia Pty Ltd	Australia	100.00%	100.00%
ANGEX Services	Republic of Guinea	100.00%	100.00%
Syncerus Gold SARLU[1]	Republic of Guinea	100.00%	100.00%
Sankarani Resources SARLU[2]	Republic of Guinea	100.00%	100.00%

1. The company was incorporated on 10 December 2024.
2. The company was incorporated on 3 December 2024.

Note 25. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
High Guinea Gold Corp Pty Ltd	Australia	30.00%	-
High Guinea Gold SARLU	Republic of Guinea	30.00%	-

On 1 October 2025, DeSoto announced that it had executed a binding heads of agreement with Fortuna Mining Corp (Fortuna) to establish an exploration alliance and joint venture across an agreed Area of Interest in Guinea's Siguiri Basin. As at 30 June 2026, Fortuna has a 70 per cent interest in the above entities with the Company holding the remaining 30 per cent. The joint ventures remained dormant during the financial year.

Note 26. Share-based payments

Total share-based payments expenses recognised in profit or loss during the period were as follows;

	Consolidated	
	2026 $	2025 $
Performance rights	639,940	87,762
Options	359,373	13,226
	999,313	100,988

Employee incentive options

Set out below are summaries of employee options granted under the plan:

Issue date	Expiry date	Vesting conditions	Value per options	Number of options outstanding 2026	Number of options outstanding 2025
07/05/2025	07/05/2030	Class A - 500,000 to vest upon the volume weighted average price (VWAP) of the Company's Shares exceeding $0.15 per Share for at least 10 consecutive trading days on which the Company's Shares have actually traded, within 18 months from date of issue.	$0.086	-	500,000
07/05/2025	07/05/2030	Class B - 1,000,000 to vest upon the volume weighted average price (VWAP) of the Company's Shares exceeding $0.20 per Share for at least 10 consecutive trading days on which the Company's Shares have actually traded, within 24 months from date of issue.	$0.075	1,000,000	1,000,000
07/05/2025	07/05/2030	Class C - 1,000,000 to vest upon The Company raising a cumulative additional $2.0m of capital in support of its current or additional projects, within 36 months from date of issue. If the company expands current projects or acquires additional projects solely via the issuance of shares in the Company, the value of such shares shall count towards the $2.0m threshold.	$0.071	1,000,000	1,000,000
28/11/2025	28/11/2030	Class E: 4,666,666 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 2 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code	$0.155	4,666,666	-

Note 26. Share-based payments (continued)

Issue date	Expiry date	Vesting conditions	Value per options	Number of options outstanding 2026	2025
28/11/2025	28/11/2030	Class F: 4,666,666 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 4 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.	$0.155	4,666,666	-
28/11/2025	28/11/2030	Class G: 4,666,668 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 6 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.	$0.155	4,666,666	-
				16,000,000	2,500,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.35 years (2025): 4.85 years).

The fair value of options granted during the current period was determined using a Black Scholes valuation model using the following key inputs and assumptions.

Field	Class E	Class F	Class G
Valuation Date	23/11/2025	23/11/2025	23/11/2025
Vesting Date	Per performance hurdle	Per performance hurdle	Per performance hurdle
Expiry Date	28/11/2030	28/11/2030	28/11/2030
Vesting Period (years)	5	5	5
Option Life (years)	5	5	5
Stock Price ($)	0.155	0.155	0.155
Exercise Price ($)	-	-	-
Risk Free Rate	3.93%	3.93%	3.93%
Volatility	101%	101%	101%
Value per Option ($)	0.155	0.155	0.155

Note 26. Share-based payments (continued)

Performance rights

The Company has adopted an Employee Incentive Securities Plan to allow eligible participants to be granted Performance Rights in the Company. Set out below are summaries of performance rights granted under the Employee Incentive Securities Plan:

Grant date	Expiry date	Vesting conditions	Value per rights	Number of rights outstanding 2026	Number of rights outstanding 2025
01/12/2022	01/12/2027	Class A: Vesting and becoming exercisable upon the later of: (a) the 12 month anniversary of the Company's IPO; and (b) the Company's share price achieving a VWAP of $0.25 over any 20 consecutive trading days on which the shares are recorded on the ASX.	$0.19	1,070,000	1,070,000
01/12/2022	01/12/2027	Class B: Vesting and becoming exercisable upon the later of: (a) the 24 month anniversary of the Company's IPO; and (b) the Company's share price achieving a VWAP of $0.30 over any 20 consecutive trading days on which the shares are recorded on the ASX.	$0.19	1,070,000	1,070,000
01/12/2022	01/12/2027	Class C: The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, with a cut-off grade of 0.5g/t.	$0.20	305,000	305,000
01/12/2022	01/12/2027	Class D: The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, with a cut-off grade of 0.5g/t.	$0.20	152,500	152,500
01/12/2022	01/12/2027	Class E: The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, with a cut-off grade of 0.5g/t.	$0.20	152,500	152,500
20/11/2025	28/11/2030	Class F: 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 2 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.	$0.16	9,000,000	-
20/11/2025	28/11/2030	Class G: 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 4 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.	$0.16	9,000,000	-

Note 26. Share-based payments (continued)

Grant date	Expiry date	Vesting conditions	Value per rights	Number of rights outstanding 2026	2025
20/11/2025	28/11/2030	Class H: 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 6 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.	$0.16	9,000,000	-
				29,750,000	2,750,000

Each performance right will convert to 1 ordinary shares in the Company if the performance milestones are met.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 4.14 years (2025: 2.42 years).

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Field	Class F	Class G	Class H
Valuation Date	20/11/2025	20/11/2025	20/11/2025
Vesting Date	28/11/2030	28/11/2030	28/11/2030
Expiry Date	28/11/2030	28/11/2030	28/11/2030
Vesting Period (years)	5	5	5
Option Life (years)	5	5	5
Stock Price ($)	0.16	0.16	0.16
Exercise Price ($)	-	-	-
Value per Option ($)	0.16	0.16	0.16

Accounting policy for share-based payments

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

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, Trinomial, Hoadley Barrier1 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 Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 26. Share-based payments (continued)

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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 27. Events after the reporting period

July 2026 - DeSoto-Fortuna alliance secured its first acquisition package

After year-end, High Guinea Gold SARLU, the Guinean vehicle associated with the DeSoto-Fortuna alliance, entered a Heads of Agreement with Wassolon Mining Group SAU for seven selected gold projects covering 591.43 km^2. The transaction included a three-month due diligence period and staged payments linked to tenure progression and exploration milestones. The structure was designed to provide immediate access for project review and target ranking while managing the tenure risk inherent in the conversion of reconnaissance authorisations and applications to exploration permits.

Following due diligence, the proposed work program includes verification of tenure status and boundaries, compilation of historical data, regolith and structural interpretation, reconnaissance mapping, geochemical sampling and ranking of priority targets. Projects that satisfy the alliance criteria may be designated as "Go Projects" and become eligible for Fortuna's sole-funded exploration commitment under the joint venture.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement
As at 30 June 2026

Name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
DeSoto Resources Ltd	Body corporate	Australia	100.00%	Australia
Mangusta Minerals Pty Ltd	Body corporate	Australia	100.00%	Australia
MN25 Investments Pty Ltd	Body corporate	Australia	100.00%	Australia
Benin Aust Minerals	Body corporate	Benin	100.00%	Australia/Benin
Angex Australia Pty Ltd	Body corporate	Australia	100.00%	Australia
ANGEX Services	Body corporate	Republic of Guinea	100.00%	Australia/Republic of Guinea
Syncerus Gold SARLU	Body corporate	Republic of Guinea	100.00%	Australia/Republic of Guinea
Sankarani Resources SARLU	Body corporate	Republic of Guinea	100.00%	Australia/Republic of Guinea

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements

The percentage of share capital disclosed for bodies corporate included in the statement represents the interest held by the Group in the subsidiary.

In developing the disclosures in the statement, the directors have considered the guidance in Taxation Ruling TR 2018/5 to determine the tax residency of each subsidiary. This determination considers factors such as the country of incorporation, the location of central management and control, the residency of directors, the location of board meetings, and the jurisdiction where day-to-day operations are conducted.

Directors' declaration
30 June 2026

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors

Paul Roberts
Non-Executive Chairperson

22 September 2026
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

To the Members of DeSoto Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DeSoto Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

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

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 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of deferred exploration expenditure Note 12	
The Group has capitalised exploration and evaluation expenditure of $4,020,217 as at 30 June 2026. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most audit effort, communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: – We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; – We considered the Directors' assessment of potential indicators of impairment; – We obtained evidence that the Group has current rights to tenure of its areas of interest; – We discussed with management the nature of planned ongoing activities; – We tested additions to exploration expenditure on a sample basis during the year; – We checked the valuation of the consideration for the acquisition during the year; – We enquired with management, and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its areas of interest; and – We examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, 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:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have 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 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of DeSoto Resources Limited for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2026

Norman Glad

N G Neill
Partner

Shareholder information
30 June 2026

The shareholder information set out below was applicable as at 14 September 2026.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares		Performance rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total options issued	Number of holders	% of total securities issued
1 to 1,000	19	-	6	-	-	-
1,001 to 5,000	46	0.06	34	0.15	-	-
5,001 to 10,000	125	0.39	13	0.10	-	-
10,001 to 100,000	300	4.65	94	3.73	-	-
100,001 and over	215	94.90	75	96.02	6	100.00
	705	100.00	222	100.00	6	100.00
Holding less than a marketable parcel	41	0.03	77	0.56	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
AIGLE ROYAL SUPERANNUATION PTY LTD ATF THE A. POLI SUPERANNUATION FUND; AIGLE ROYAL CAPITAL PTY LTD ATF AIGLE ROYAL CAPITAL DISCRETIONARY TRUST	47,361,624	17.11
HUGH BUSINESS ENTERPRISES LIMITED	17,700,000	6.39
EQUITY TRUSTEES LIMITED (LOWELL RESOURCES FUND A/C)	15,917,219	5.75
PACHEM INVESTMENTS PTY LTD (S & K LEVERSHA SUPER A/C)	12,592,574	4.55
GONDWANA INVESTMENT GROUP PTY LTD (KUMOVA FAMILY SUPER A/C)	7,692,308	2.78
RAM PLATINUM PTY LTD (R MICHAELS FAMILY A/C)	6,549,000	2.37
MR PAUL ANTHONY ROBERTS & MS ESPERANZA ANGELICA GUTIERREZ BEJARANO (WIRELESS HILL A/C)	5,278,847	1.91
AEGP SUPER PTY LTD (AEGP SUPERANNUATION FUND A/C)	5,000,000	1.81
CORAL BROOK PTY LTD (LLOYD SUPER FUND A/C)	4,750,000	1.72
MR PHILLIP RICHARD PERRY	4,717,692	1.70
STROBOS PTY LTD (THE STROBOS A/C)	4,447,812	1.61
CITICORP NOMINEES PTY LIMITED	4,082,645	1.48
BACCHUS RESOURCES PTY LTD	4,000,000	1.45
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	3,959,933	1.43
WESTMINEX PTY LTD	3,751,728	1.36
GPT SUPER WA PTY LTD (GPT SUPER FUND A/C)	3,637,935	1.31
MR AIME NGANARE (NGANARE & ANGEX FAMILY A/C)	3,636,362	1.31
MR ERNST KOHLER	3,636,000	1.31
ROCK THE POLO PTY LTD (ROCK THE POLO A/C)	3,261,998	1.18
VAN DER SPUY PTY LTD (GROWING GRACE A/C)	3,161,998	1.14
	165,135,675	59.67

	Options over ordinary shares	
	Number held	% of total options issued
HUGH BUSINESS ENTERPRISES LIMITED	8,850,000	19.90
PARANOID ENTERPRISES PTY LTD	3,197,336	7.19
WHISTLER STREET PTY LTD (WARBURTON DISCRETIONARY A/C)	2,600,000	5.85
CORAL BROOK PTY LTD	2,595,000	5.83
MR PAUL ANTHONY ROBERTS & MS ESPERANZA ANGELICA GUTIERREZ BEJARANO (WIRELESS HILL A/C)	2,500,000	5.62
BACCHUS RESOURCES PTY LTD	2,000,000	4.50
FRACTORE PTY LTD (ARDGILLAN ESTATE SUPER FUND)	1,500,000	3.37
MR GEORGE SKALTSIS	1,300,000	2.92
BUDWORTH CAPITAL PTY LTD (ROLLING HILLS CAPITAL A/C)	1,127,336	2.53
GOTHA STREET CAPITAL PTY LTD (BLUE SKY NO 2 A/C)	946,320	2.13
ROCK THE POLO PTY LTD (ROCK THE POLO A/C)	850,000	1.91
ROCK THE POLO PTY LTD (ROCK THE POLO A/C)	696,778	1.57
BXW VENTURES PTY LTD	623,000	1.40
SCINTILLA STRATEGIC INVESTMENTS LIMITED	600,000	1.35
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	503,375	1.13
ARGYLE SF PTY LTD (SFG SUPERANNUATION FUND A/C)	450,000	1.01
EQUITY TRUSTEES LIMITED (LOWELL RESOURCES FUND A/C)	450,000	1.01
MR JEREMY LUKE CRESSWELL & MRS RIKA NIMALI ANN CRESSWELL	400,000	0.90
APOGEE SUPERANNUATION PTY LTD (AFG SUPERANNUATION FUND A/C)	400,000	0.90
CORAL BROOK PTY LTD (LLOYD SUPER FUND A/C)	375,000	0.84
	31,964,145	71.86

Unquoted/restricted equity securities

	Number on issue	Number of holders
ESCROWED SHARES, 24M FROM QUOTATION (ESCROW ENDING 7 MAY 2027)	1,818,180	9
UNL OPT @ $0.25 EXP 01/04/2027	33,975,000	21
UNL OPT @ $0.35 EXP 01/12/2027	1,600,000	1
UNL OPT @ $0.23 EXP 28/06/2029	1,600,000	1
UNL OPT @ $0.114 EXP 09/05/2029	9,204,808	1
UNL OPT @ $0 EXP 07/05/2030	2,000,000	1
UNL OPT @ $0 EXP 28/11/2030	14,000,000	2
PERFORMANCE RIGHTS CLASS A	1,070,000	1
PERFORMANCE RIGHTS CLASS B	1,070,000	2
PERFORMANCE RIGHTS CLASS C	305,000	1
PERFORMANCE RIGHTS CLASS D	152,500	1
PERFORMANCE RIGHTS CLASS E	152,500	1
PERFORMANCE RIGHTS CLASS F	27,000,000	3

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
PAUL ANTHONY ROBERTS & ESPERANZA A G BEJARANO (WIRELESS HILL A/C)	UNL OPT @ $0.25 EXP 01/04/2027	7,500,000
BACCHUS RESOURCES PTY LTD	UNL OPT @ $0.35 EXP 01/12/2027	1,600,000
ERNST KOHLER	UNL OPT @ $0.23 EXP 28/06/2029	1,600,000
ZENIX NOMINEES PTY LTD	UNL OPT @ $0.114 EXP 09/05/2029	9,204,808
GAETANO TOMBA	UNL OPT @ $0.00 EXP 07/05/2030	2,000,000
AIME NGANARE	UNL OPT @ $0 EXP 28/11/2030	7,000,000
TOMBA NOMINEES PTY LTD (V&N TOMBA FAMILY A/C)	UNL OPT @ $0 EXP 28/11/2030	7,000,000
CHRISTOPHER SWALLOW	PERFORMANCE RIGHTS CLASS A	570,000
GAETANO TOMBA	PERFORMANCE RIGHTS CLASS A	500,000
CHRISTOPHER SWALLOW	PERFORMANCE RIGHTS CLASS B	570,000
GAETANO TOMBA	PERFORMANCE RIGHTS CLASS B	500,000
BIANCA MANZI	PERFORMANCE RIGHTS CLASS C	305,000
BIANCA MANZI	PERFORMANCE RIGHTS CLASS D	152,500
BIANCA MANZI	PERFORMANCE RIGHTS CLASS E	152,500
CHRIS AND LEONIE SWALLOW PTY LTD (C AND L SWALLOW FAMILY A/C)	PERFORMANCE RIGHTS CLASS F	10,000,000
PAUL ANTHONY ROBERTS & ESPERANZA BEJARANO (WIRELESS HILL A/C)	PERFORMANCE RIGHTS CLASS F	9,000,000
FINBARR CHRISTOPHER MURPHY	PERFORMANCE RIGHTS CLASS F	8,000,000

Substantial holders

The names of the substantial holders as disclosed in substantial shareholding notices given to the Company are:

	Ordinary shares	
	Number held	% of total shares issued
AIGLE ROYAL SUPERANNUATION PTY LTD ATF THE A. POLI SUPERANNUATION FUND; AIGLE ROYAL CAPITAL PTY LTD ATF AIGLE ROYAL CAPITAL DISCRETIONARY TRUST	47,011,624	16.98
CREMORNE CAPITAL LIMITED AS THE RE FOR LOWELL RESOURCES FUND	14,917,219	5.39

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

Options, performance rights and performance shares

No voting rights attached until conversion into ordinary shares.

There are no other classes of equity securities.

Issues of securities not yet complete

On-Market Buy Back

There is no current on-market buy back.

Tenements

Project	Country	Tenement number	Interest Owned %
Fenton Gold Project	Australia	EL32886	100%
Fenton Gold Project	Australia	EL33188	100%
Fenton Gold Project	Australia	EL33189	100%
Fenton Gold Project	Australia	EL33225	100%
Fenton Gold Project	Australia	EL31356	100%
Fenton Gold Project	Australia	EL32148	100%
Fenton Gold Project	Australia	EL31899	100%
Fenton Gold Project	Australia	EL33615	100%
Siguiri Gold Project	Guinea	24094	100%
Siguiri Gold Project	Guinea	24396	100%
Siguiri Gold Project	Guinea	22627	100%
Siguiri Gold Project	Guinea	23760	100%
Siguiri Gold Project	Guinea	23761	100%
Siguiri Gold Project	Guinea	23759	100%
Siguiri Gold Project	Guinea	23456	100%
Siguiri Gold Project	Guinea	23400	100%
Siguiri Gold Project	Guinea	24590	100%
Siguiri Gold Project	Guinea	22611	100%
Siguiri Gold Project	Guinea	23395	100%
Siguiri Gold Project	Guinea	22621	100%
Siguiri Gold Project	Guinea	23978	100%
Siguiri Gold Project	Guinea	23979	100%
Siguiri Gold Project	Guinea	23606	100%
Siguiri Gold Project	Guinea	22302	100%
Siguiri Gold Project	Guinea	24877	100%
Siguiri Gold Project	Guinea	24875	100%
Siguiri Gold Project	Guinea	24870	100%
Siguiri Gold Project	Guinea	24871	100%
Siguiri Gold Project	Guinea	24869	100%
Siguiri Gold Project	Guinea	24876	100%
Gauoul Gold Province	Guinea	23823	100%
Gauoul Gold Province	Guinea	23732	100%
Gauoul Gold Province	Guinea	23733	100%

Corporate Governance Statement

The Company's 2026 Corporate Governance Statement has been released as a separate document and is located on our website at www.desotoresources.com/about/corporate-governance/.

Competent Persons Statement

The information in this Annual Report that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Ms Rebecca Morgan. Ms Morgan is a consultant to the company, is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Morgan consents to the inclusion in this Annual Report of the matters based on this information in the form and context in which they appear.


DESOTO
RESOURCES
ASX:DES | desotoresources.com