ASX RELEASE
30 October 2026

Quarterly Activities Report – Quarter ended 30 September 2026

Sale of Tengrela South Permit, northern Côte d'Ivoire

- After quarter end, DM1 signed a binding agreement to sell its 80% interest in Tengrela South (PR-683) to CSE-listed Waraba Gold Limited for up to **A$5.0 million cash plus a 1% NSR royalty**
- **A$2.5 million cash by completion**, including a A$100,000 exclusivity fee (received during the September quarter), a A$500,000 deposit on signing (received 29 October 2026) and A$1.9 million at completion
- Up to a further **A$2.5 million cash** on extension of the permit beyond November 2027, plus a 1% NSR royalty that Waraba may buy back for A$2.2 million
- Non-dilutive funding – no new DM1 shares will be issued under the transaction

Adzope Gold Project, south-eastern Côte d'Ivoire

- DM1 to focus on advancing the **+7km Nyan gold-in-soil anomaly** (peak values of 6.04g/t and 3.63g/t gold) through to its first drilling program
- Nyan has never been drill tested and lies directly along strike from DM1's King Kong discovery, where drilling returned **17m at 7.5g/t gold**
- Planned program at Nyan comprises infill soil sampling, drill hole targeting, auger sampling and aircore drilling

CORPORATE

- Annual General Meeting to be held on Friday 27 November 2026

Desert Metals Limited (ASX: DM1) ("Desert Metals", "DM1" or "the Company") is pleased to report its activities for the quarter ended 30 September 2026.

TENGRELA SOUTH, CÔTE D'IVOIRE

Sale of Tengrela South to Waraba Gold

During the quarter, Desert Metals (**DM1**) entered into exclusive negotiations with Canadian-listed Waraba Gold Limited (CSE: WBGD) (**Waraba**) to sell its 80% interest in the Tengrela South gold project and received a A$100,000 exclusivity fee from Waraba.

On 27 October 2026, DM1 announced that it had signed a binding share sale agreement with Waraba to sell its 80% interest in Leo Resources SARL (**Leo Resources**), holder of the 212.66km² Tengrela South gold exploration permit PR-683 in northern Côte d'Ivoire,

Total consideration is **up to A$5.0 million in cash plus a 1% net smelter return** (NSR) royalty, comprising:

- **A$2.5 million cash by completion** – a A$100,000 exclusivity fee already received, a A$500,000 deposit received on 29 October 2026 and A$1.9 million at completion (of which A$250,000 is held in a retention account for six months after completion);
- **Up to a further A$2.5 million cash** on extension of the permit beyond its expiry date of 3 November 2027 – up to A$2.3 million on renewal, plus the balance of an up to A$200,000 contingency retained by Waraba for permit renewal costs; and
- **A 1% NSR royalty** over the Tengrela South permit area, granted on completion, which Waraba may buy back at any time for **A$2.2 million in cash** or, at its election, in Waraba shares.

Completion is subject to conditions precedent, including waivers, consents and confirmations from SMEX and its principals within three months of signing, and Côte d'Ivoire ministerial approval for the change of control of Leo Resources within six months of signing. Full details are set out in the Company's ASX announcement of 27 October 2026.

Exploration

The Company undertook limited exploration work at Tengrela South during the quarter. Results from the 2026 aircore drilling at Tiogo, which extended the gold corridor to 1.7km with intercepts including 4m at 19.48g/t gold (ASX announcement 12 May 2026), and the 1.8km Tiogo North gold-in-soil anomaly (ASX announcement 25 May 2026) were reported in the June 2026 quarter.

ADZOPE GOLD PROJECT, CÔTE D'IVOIRE

Nyan Prospect

In the June 2026 quarter, maiden soil sampling at the **Nyan prospect** defined a coherent gold-in-soil anomaly extending more than 7km and open along strike in both directions, with peak values of **6,036 ppb (6.04 g/t) gold** and **3,626 ppb (3.63 g/t) gold** across a 165m wide zone of +0.5g/t gold (ASX announcement 9 June 2026). The Nyan corridor sits directly along strike to the south-west of the Company's King Kong gold discovery, where previous drilling returned **17m at 7.5 g/t gold** within the same interpreted structural trend (ASX announcement 10 December 2024).

Nyan has never been drill tested. During the quarter DM1 commenced planning for the next phase of exploration at Nyan, designing a program comprising infill soil sampling to close off the anomaly to the north-east and south-west, drill hole targeting, auger sampling and aircore drilling to test the high-grade zones. DM1 expects to commence field reconnaissance this Quarter, followed by infill soil sampling, ground geophysics, auger sampling, and air core drilling in Q1 2027.

Nyan was identified from Target 1 of the regional stream-sediment program across the 229km² Adzope permit (ASX announcement 30 April 2026). The company is considering follow-up on Target 2, a 2.5km × 1.5km anomaly in the same structural corridor.

AGBOVILLE PERMITS, CÔTE D'IVOIRE

In the June 2026 quarter, DM1 acquired 100% of the two Agboville permits in south-eastern Côte d'Ivoire, which are prospective for both gold and lithium (ASX announcement 3 June 2026). Granted permit PR-1036 covers 341km² and application 0170DMICM26/01/2023 covers a further 257km² in the same district. DM1 proposes to commence initial exploration of the granted Agboville permit during the current Quarter.

CORPORATE

Funding

The Tengrela South sale provides DM1 with non-dilutive funding of A$2.5 million in cash by completion, of which the A$100,000 exclusivity fee was received during the quarter and the A$500,000 deposit was received on 29 October 2026..

The sale proceeds will fund further exploration at Adzope, initial exploration of the Agboville gold-lithium project, identifying and acquiring new project opportunities to complement the existing mineral asset portfolio, and working capital.

New Project Opportunities

Desert Metals continues to review new project opportunities, focusing on gold and critical minerals projects to complement its existing mineral asset portfolio.

Annual General Meeting

Desert Metals' Annual General Meeting (AGM) will be held on Friday 27 November 2026.

ASX Additional Information

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was $86,000. Full details of exploration activity during the Quarter are set out in this report.
2. **ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the Quarter.
3. **ASX Listing Rule 5.3.5:** No payments were made to related parties during the quarter for Director fees. During the quarter, $3,300 was paid to Oxford Capital Partners International Pty Ltd, a company in which director Mr. Ross is a director and has a beneficial interest, for office space and supporting office equipment.

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

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About Desert Metals Limited

Desert Metals Limited is an ASX-listed (ASX:DM1) gold exploration company focused on Côte d'Ivoire, West Africa. DM1's flagship Adzope Project in south-eastern Côte d'Ivoire comprises three permits covering approximately 826km² prospective for gold and lithium, including the King Kong gold discovery and the Nyan gold prospect. DM1 also holds an 80% interest in the Tengrela South project, which it has agreed to sell to Waraba Gold Limited.

Competent Persons Statement

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

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

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which DM1 operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by several factors and subject to various uncertainties and contingencies, many of which will be outside DM1's control. DM1 does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of DM1, its directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by DM1. Nor does this announcement constitute investment or financial product advice (nor tax, accounting, or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

Annexure 1 – Schedule of Tenements

In accordance with listing rule 5.3.3, the table below shows the interest in tenements held by the Company at the end of the Quarter.

Côte d'Ivoire Tenements *					
Tenement ID	**Name**	**Type**	**Status**	**Ownership**	**Holder**
PR-683	Tengrela South	Exploration	Granted	80%	Leo Resources SARL*
PR-960	Adzope	Exploration	Granted	80%	Adzope Gold SARL
PR-1036	Agboville	Exploration	Granted	100%	Ivoire Lithium Resources SARL
0170DMICM26/01/23	Agboville	Exploration	Application	100%	Ivoire Lithium Resources SARL
1892DMICM13/05/2026	Bondoukou	Exploration	Application	100%	Mocha Gold SARL

* The Company's interests in Côte d'Ivoire are held via its 100% owned subsidiary CDI Minerals Pty Ltd

* On 27 October 2026, DM1 signed a binding agreement to sell its 80% interest in Leo Resources SARL, the holder of PR-683 (Tengrela South), to Waraba Gold Limited. Completion is subject to conditions precedent, including Côte d'Ivoire ministerial approval.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Desert Metals Limited	
ABN	**Quarter ended ("current quarter")**
84 617 947 172	30 September 2026

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(74)	(74)
	(e) administration and corporate costs	(107)	(107)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received - GST	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – other income	22	22
1.9	**Net cash from / (used in) operating activities**	**(157)**	**(157)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(86)	(86)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Exclusivity fee	100	100
2.6	**Net cash from / (used in) investing activities**	**14**	**14**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(27)	(27)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(27)**	**(27)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	409	409
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(157)	(157)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14	14
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(27)	(27)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**238**	**238**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	238	409
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**238**	**409**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(157)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(86)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(243)
8.4	Cash and cash equivalents at quarter end (item 4.6)	238
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	238
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.98

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: In October 2026 Desert Metals entered into a binding agreement to sell its 80% interest in the Tengrela South Project to CSE-listed Waraba Gold Limited for up to $5 million cash and a 1% NSR. Refer to the quarterly activities report for further details and the Company's announcement dated 27 October 2026.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis noted in (2) above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.