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# Desert Metals Limited

A.C.N. 617 947 172

Interim Financial Report  
For the Half Year ended 31 December 2021

## Corporate directory

### Board of Directors

Mr Robert Angus Castle Stuart  
Mr Mark Robert Stewart  
Mr Antony William Worth  
Mr Keith Charles Murray

Managing Director  
Non-Executive Chairman  
Technical Director  
Non-Executive Director

### Company Secretary

Mr Paul Heatley  
Mr Johnathon Busing

Company Secretary  
Company Secretary

### Registered Office

Level 3, 59 Parry Street  
Perth, Western Australia 6000  
Tel: +61 8 9758 1333  
Facsimile: +61 8 9325 3554

### Postal Address

PO Box 1253  
Dunsborough WA 6281

### Website

[www.desertmetals.com.au](http://www.desertmetals.com.au)

### Auditors

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco, Western Australia 6008

### Share Registry

Automic Group  
Level 5, 191 St Georges Terrace  
Perth, Western Australia 6000  
Tel: +61 1300 288 664  
Tel: +61 2 9698 5414

### Stock Exchange

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

### ASX Code

DM1

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## Contents

Directors' Report .....	1
Auditor's independence declaration .....	3
Condensed Statement of profit or loss and other comprehensive income.....	4
Condensed Statement of financial position .....	5
Condensed Statement of changes in equity .....	6
Condensed Statement of cash flows .....	7
Notes to the financial statements .....	8
Directors' declaration .....	13
Independent auditor's report .....	14

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## Directors' Report

Your directors present their report on Desert Metals Limited (the Company) for the half year ended 31 December 2021.

### Directors

The names of the directors who held office during or since the end of the half-year are:

- |                              |                                                |
|------------------------------|------------------------------------------------|
| • Robert Angus Castle Stuart | Managing Director                              |
| • Mark Robert Stewart        | Non-Executive Chairman                         |
| • Antony William Worth       | Technical Director                             |
| • Keith Charles Murray       | Non-Executive Director (appointed 7 July 2021) |

### REVIEW OF OPERATIONS

#### Exploration

During the period 1 July 2021 to 31 December 2021 the Company achieved the following;

- Downhole electromagnetic survey (DHEM) completed on 3 holes on the Innouendy tenement. Platinum Group Elements (PGEs) were detected in both drilling and soil samples.
- Drilling of 3 holes was completed at Irrida Hill and massive sulphide was confirmed as the cause of the previously identified conductors on this tenement. DHEM was also completed on the 3 holes.
- Moving loop Ground EM data collected over anomalies identified in airborne data at Belele and Dingo Pass. Several high conductance targets defined.
- Heritage Agreement signed with Wajarri Yamatji to allow exploration to proceed on the Mt Gould, Dingo Pass, Hooper and Belele licenses.
- Heritage surveys completed at Dingo Pass, Belele and Innouendy tenements.
- A regional soil sampling survey was completed, with 3,448 samples collected. Results of the sampling were received for Dingo Pass and preliminary interpretation of soil sampling data commenced. Approximately half of the samples from Innouendy / Opal Bore have been received.

#### Corporate

##### *Appointment of Director*

The Company appointed Mr Keith Murray as an independent Non-Executive Director of the Company on 7 July 2021.

Mr Murray is a Chartered Accountant with extensive knowledge and experience built up over 40 years at General Manager level in audit, accounting, tax, finance, treasury and corporate governance. Mr Murray's experience in mining extends to the 1990's during which time he was Group Accounting Manager Corporate and Taxation, and joint Company Secretary for Eltin Limited, a leading Australian based international mining services company. Mr Murray is currently General Manager Corporate and Company Secretary for Heytesbury, the privately owned Holmes à Court family company group in Western Australia.

## DESERT METALS LIMITED

A.C.N. 617 947 172  
SUBSEQUENT EVENTS

## INTERIM FINANCIAL REPORT

31 December 2021

On 21 January 2022, the Company announced the commencement of its field season for the year, with drilling to start at both the Belele and Innouendy tenements.

The drilling program consisted of 5 holes and approximately 1,100 metres of reverse circulation drilling at Belele and 44 holes of approximately 3,000 metres of Aircore drilling at Innouendy.

On 27 January 2022 the Company announced that it had intersected a zone of mineralisation in multiple holes at Belele as a result of the drilling program.

On 24 January 2022 the Company applied for an additional 287km<sup>2</sup> license along strike to the north of the current drilling at Belele.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 (Cth) for the half year ended 31 December 2021 is set out on page 3.

This report is made in accordance with a resolution of directors.

On behalf of the directors



ROBERT STUART  
Managing Director  
Dated this 2<sup>nd</sup> day of March 2022

To the Board of Directors

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit Director for the review of the financial statements of Desert Metals Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark DeLaurentis*  
MARK DELAURENTIS CA  
Director

Dated the 2<sup>nd</sup> day of March 2022  
Perth, Western Australia

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Condensed Statement of profit or loss and other comprehensive income  
For the half year ended 31 December 2021

	Note	31 Dec 2021 \$	Restated* 31 Dec 2020 \$
<b>Continuing operations</b>			
Revenue			
Government grants		120,000	-
		<u>120,000</u>	<u>-</u>
Compliance costs		(39,822)	(97,085)
Depreciation		(15,729)	-
Employment expenses		(110,183)	(65,000)
Impairment expense		-	(5,000)
Information technology costs		(7,191)	(5,010)
Insurance		(16,503)	(1,392)
Occupancy costs		(15,305)	(2,426)
Professional fees		(84,840)	(165,237)
Share based payments		(82,800)	(554,865)
Travel costs		(5,845)	-
Other expenses		(9,429)	(19,707)
		<u>(387,647)</u>	<u>(915,722)</u>
Loss before tax		(267,647)	(915,722)
Income tax benefit		-	-
		<u>-</u>	<u>-</u>
<b>Net loss for the period</b>		<b><u>(267,647)</u></b>	<b><u>(915,722)</u></b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
		<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period, net of tax</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive loss for the period</b>		<b><u>(267,647)</u></b>	<b><u>(915,722)</u></b>
<b>Loss per Share:</b>			
Basic and diluted (cents per share)		(0.48)	(3.51)

\* Refer to Note 10

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

Condensed Statement of financial position  
As at 31 December 2021

	Note	31 Dec 2021 \$	30 June 2021 \$
<b>Current Assets</b>			
Cash and cash equivalents		2,080,915	3,710,144
Receivables	4	97,337	107,947
<b>Total Current Assets</b>		<b>2,178,252</b>	<b>3,818,091</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	5	3,038,548	1,770,569
Property, plant and equipment	6	119,713	134,179
<b>Total Non-Current Assets</b>		<b>3,158,261</b>	<b>1,904,748</b>
<b>Total Assets</b>		<b>5,336,513</b>	<b>5,722,839</b>
<b>Current Liabilities</b>			
Trade and other payables	7	72,852	274,331
<b>Total Current Liabilities</b>		<b>72,852</b>	<b>274,331</b>
<b>Total Liabilities</b>		<b>72,852</b>	<b>274,331</b>
<b>Net Assets</b>		<b>5,263,661</b>	<b>5,448,508</b>
<b>Equity</b>			
Issued capital	8	6,102,035	6,102,035
Reserves	9	723,795	640,995
Accumulated losses		(1,562,169)	(1,294,522)
<b>Net Equity</b>		<b>5,263,661</b>	<b>5,448,508</b>

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



## Condensed Statement of changes in equity

For the half year ended 31 December 2021

	Note	Issued Capital \$	Share Options Reserves \$	Accumulated Losses \$	Total \$
<b>Balance as at 1 July 2020</b>		515,000	-	(94,072)	420,928
<b>Restated *</b>					
Loss for the period		-	-	(915,722)	(915,722)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	<b>(915,722)</b>	<b>(915,722)</b>
<i>Transactions with owners, directly in equity</i>					
Share application funds received	8	6,000,000	-	-	6,000,000
Option application funds received	9	-	165	-	165
Issue of options as share-based payments	9	-	640,830	-	640,830
Share issue costs	8	(412,965)	-	-	(412,965)
<b>Balance at 31 December 2020</b>		<b>6,102,035</b>	<b>640,995</b>	<b>(1,009,794)</b>	<b>5,733,236</b>
<b>Restated *</b>					
<b>Balance as at 1 July 2021</b>		<b>6,102,035</b>	<b>640,995</b>	<b>(1,294,522)</b>	<b>5,448,508</b>
Loss for the period		-	-	(267,647)	(267,647)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	<b>(267,647)</b>	<b>(267,647)</b>
<i>Transactions with owners, directly in equity</i>					
Issue of options as share-based payments	9	-	82,800	-	82,800
<b>Balance at 31 December 2021</b>		<b>6,102,035</b>	<b>723,795</b>	<b>(1,562,169)</b>	<b>5,263,661</b>

\* Refer to Note 10

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

**Condensed Statement of cash flows**  
For the half year ended 31 December 2021

	Note	31 Dec 2021 \$	Restated * 31 Dec 2020 \$
<b><i>Cash flows from operating activities</i></b>			
Receipts from Government grants		132,000	-
Payments to suppliers and employees		(194,962)	(454,143)
<b>Net cash used in operating activities</b>		<b>(62,962)</b>	<b>(454,143)</b>
<b><i>Cash flows from investing activities</i></b>			
Payments for exploration and evaluation activities		(1,534,628)	(486,180)
Payments for property, plant and equipment		(31,639)	-
Payment for intangible		-	(5,000)
<b>Net cash used in investing activities</b>		<b>(1,566,267)</b>	<b>(491,180)</b>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from issue of shares		-	6,000,000
Proceeds from issue of options		-	165
Payment for share issue costs		-	(327,000)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>5,673,165</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,629,229)</b>	<b>4,727,842</b>
Cash and cash equivalents at the beginning of the period		3,710,144	296,957
<b>Cash and cash equivalents at the end of the period</b>		<b>2,080,915</b>	<b>5,024,799</b>

\* Refer to Note 10

*The condensed statement of cash flow is to be read in conjunction with the accompanying notes.*

## Notes to the financial statements

For the half year ended 31 December 2021

### 1. Statement of significant accounting policies

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as the full year annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX.

The half-year financial report was authorised for issue by the directors on 2 March 2022.

#### 1.1 Basis of preparation

The interim report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021 and the corresponding half-year financial report, except for the impact of the new and revised Standards and Interpretations effective 1 July 2021, as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### 1.2 Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2021, except for the impact of the new Standards and Interpretations effective 1 July 2021, as outlined below.

#### 1.3 Adoption of new and revised Standards

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current annual financial reporting period beginning on or after 1 July 2021. It has been determined by the Company that there is no impact, material or otherwise, of the new or amended Accounting Standards and therefore no changes to Company accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the half year.

## 2. Segment information

The Company operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the individual operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all of its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Company as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Company and are set out in the condensed consolidated statement of financial position.

## 3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2021 and the directors have not recommended the payment of a dividend.

## 4. Trade and other receivables

	31 Dec 2021	30 Jun 2021
	\$	\$
Prepayments	45,526	15,313
GST receivable	42,966	92,634
Rent Bond	8,800	-
Sundry receivable	45	-
	<b>97,337</b>	<b>107,947</b>

## 5. Exploration and evaluation expenditure

	31 Dec 2021	30 Jun 2021
	\$	\$
Brought forward exploration and evaluation expenditure	1,770,569	137,186
Expenditure incurred during the period	1,267,979	1,633,383
<b>Carried forward exploration and evaluation expenditure</b>	<b>3,038,548</b>	<b>1,770,569</b>

## 6. Property, plant and equipment

	31 Dec 2021	30 Jun 2021
	\$	\$
Plant and equipment	35,373	39,307
Computer equipment and software	36,258	43,557
Motor vehicles	48,082	51,315
	<b>119,713</b>	<b>134,179</b>

## 7. Trade and other payables

	31 Dec 2021	30 Jun 2021
	\$	\$
Trade payables and other payables	65,352	262,331
Accrued expenses	7,500	12,000
	<b>72,852</b>	<b>274,331</b>

## 8. Issued capital

	31 Dec 2021	30 Jun 2021
	\$	\$
55,000,000 fully paid ordinary shares (30 June 2021: 55,000,000)	<b>6,102,035</b>	<b>6,102,035</b>

Fully paid ordinary shares	Half-year ended		Year ended	
	31 Dec 2021		30 Jun 2021	
	No.	\$	No.	\$
Balance at beginning of period	55,000,000	6,102,035	20,000,000	515,000
Issue of shares <sup>(i)</sup>	-	-	10,000,000	1,000,000
Issue of shares <sup>(ii)</sup>	-	-	25,000,000	5,000,000
Share issue costs	-	-	-	(412,965)
	<b>55,000,000</b>	<b>6,102,035</b>	<b>55,000,000</b>	<b>6,102,035</b>

(i) Issue of fully paid ordinary shares on 02 November 2020 at \$0.1000 each pursuant to a placement to sophisticated and institutional investors of the Company.

(ii) Issue of fully paid ordinary shares on 11 December 2020 at \$0.2000 each pursuant to a placement via a public IPO.

## 9. Options Reserve

Unlisted options	Half-year ended		Year ended	
	31 Dec 2021		30 Jun 2021	
	No.	\$	No.	\$
Balance at beginning of period	12,300,000	640,995	-	-
Issue of options <sup>(i)</sup>	-	-	7,000,000	364,700
Issue of options <sup>(ii)</sup>	-	-	2,000,000	104,200
Issue of options <sup>(iii)</sup>	-	-	1,650,000	85,965
Issue of options <sup>(iv)</sup>	-	-	-	165
Issue of options <sup>(v)</sup>	-	-	1,650,000	85,965
Issue of options <sup>(vi)</sup>	800,000	82,800	-	-
Balance at end of period	<b>13,100,000</b>	<b>723,795</b>	<b>12,300,000</b>	<b>640,995</b>

(i) This represents the value attributed to 7,000,000 unlisted options exercisable at \$0.300 issued to Directors of the Company.

(ii) This represents the value attributed to 2,000,000 unlisted options exercisable at \$0.300 issued to shareholders of the Company pursuant to options offer letters dated 27 October 2020.

(iii) This represents the value attributed to 1,650,000 unlisted options exercisable at \$0.300 issued to various advisers to the IPO for corporate advisory services.

(iv) This represents the cash received in relation to options issued to the advisers to the IPO.

(v) This represents the value attributed to 1,650,000 unlisted options issued to Morgans Corporate Limited pursuant to the lead manager mandate.

(vi) This represents the value attributed to 800,000 unlisted options exercisable at \$0.600 issued to a Director of the Company.

The following options arrangements were in existence at the reporting date:

Options Series	Number	Grant Date	Expiry Date	Exercise price \$	Fair value at grant date \$	Vesting date
DM1EOPT1	10,650,000	07 Oct 2020	31 Oct 2023	\$0.3000	\$0.0521	07 Oct 2020
DM1EOPT2	1,650,000	12 Nov 2020	12 Nov 2023	\$0.3000	\$0.0521	12 Nov 2020
DM1EOPT3	800,000	30 Nov 2021	30 Nov 2024	\$0.6000	\$0.2400	30 Nov 2021

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

	Series DMEOPT1	Series DMEOPT2	Series DMEOPT3
Dividend yield (%)	-	-	-
Expected volatility (%)	120.00%	120.00%	100.00%
Risk-free interest rate (%)	0.13%	0.13%	0.87%
Expected life of options (years)	3	3	3
Exercise price (cents)	0.3000	0.3000	0.6000
Grant date share price	0.1000	0.1000	0.2400

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

#### 10. Change in Accounting Policy

On 27 July 2021 the Company resolved to change its accounting policy in relation to the treatment of exploration and evaluation expenditure as outlined in note 3.6 of the Company's annual financial report for the financial year ended 30 June 2021. As a result of this change the Company has restated items in the statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the relevant comparative period as summarised in the following tables.

<i>Condensed Statement of profit or loss and other comprehensive income</i>	Prior \$	Adjustment \$	Restated \$
For the half year-ended 31 December 2020			
Exploration expenses	486,180	(486,180)	-
Net loss for the period	(1,401,902)	486,180	(915,722)
<b>Total comprehensive loss</b>	<b>(1,401,902)</b>	<b>486,180</b>	<b>(915,722)</b>

<i>Condensed Statement of changes in equity</i>	Accumulated Losses Prior \$	Accumulated Losses Adjustment \$	Accumulated Losses Restated \$
For the half year-ended 31 December 2020			
Balance as at 1 July 2020	(231,258)	137,186	(94,072)
Loss for the period	(1,401,902)	486,180	(915,722)
Total comprehensive income for the period	(1,401,902)	486,180	(915,722)
<b>Balance at 31 December 2020</b>	<b>(1,633,160)</b>	<b>623,366</b>	<b>(1,009,794)</b>

<i>Condensed Statement of changes in equity</i> For the half year-ended 31 December 2020	Total Prior \$	Total Adjustment \$	Total Restated \$
Balance as at 1 July 2020	283,742	137,186	420,928
Loss for the period	(1,401,902)	486,180	(915,722)
Total comprehensive income for the period	(1,401,902)	486,180	(915,722)
<b>Balance at 31 December 2020</b>	<b>5,109,870</b>	<b>623,456</b>	<b>5,733,326</b>

<i>Condensed Statement of cash flows</i> For the half year-ended 31 December 2020	Prior \$	Adjustment \$	Restated \$
<i>Cash flows from operating activities</i>			
Payments for exploration and evaluation activities	(486,180)	486,180	-
<b>Net cash used in operating activities</b>	<b>(940,323)</b>	<b>486,180</b>	<b>(454,143)</b>
<i>Cash flows from investing activities</i>			
Payments for exploration and evaluation activities	-	(486,180)	(486,180)
<b>Net cash used in investing activities</b>	<b>(5,000)</b>	<b>(486,180)</b>	<b>(491,180)</b>

#### 11. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2021 annual financial report.

#### 12. Related party transactions

The related party transactions of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021.

## Directors' Declaration

The Directors declare that:

1. The financial statements and notes as set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including that they:
  - (a) comply with Accounting Standards as described in Note 1 to 12 the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position of the Company as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



ROBERT STUART  
Managing Director  
Dated this 2<sup>nd</sup> day of March 2022



INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF DESERT METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Desert Metals Limited ("the Company") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Desert Metals Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

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## Responsibility of the Directors for the Financial Report

The directors of the Desert Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated the 2<sup>nd</sup> day of March 2022  
Perth, Western Australia

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