DeSoto Resources Limited

ABN 75 658 510 242

Interim Report - 31 December 2024

DeSoto Resources Limited
Corporate Directory
31 December 2024

Directors	Paul Roberts - Non-Executive Chairperson Finbarr (Barry) Murphy - Non-Executive Director Christopher Swallow - Managing Director
Company Secretary	Tony Tomba
Registered office	Level 2, 10 Outram Street West Perth WA 6005 Ph: +61 8 6149 7516 Email: info@desotoresources.com Website: www.desotoresources.com
Share Registry	Automic Registry Services Level 2, 267 St Georges 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 4, The Read Buildings 16 Milligan Street Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: DES, DESO)
ACN	658 510 242

The Directors present their financial report of DeSoto Resources Limited (referred to hereafter as the 'Company' or 'parent entity' or 'DeSoto') and of the consolidated group (referred to hereafter as the 'Group'), being the Company and its controlled entities for the period from 1 July 2024 to 31 December 2024.

Directors
The following persons were Directors of the Company during the whole of the financial period 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)

Principal activities
The principal activities of the Group during the half-year were exploration for mineral resources.

Review of operations
The following is a summary of the activities of the Group for the period ended 31 December 2024. 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

DeSoto is a gold and battery-metal exploration Company with a +2,000km^2 landholding located in the Northern Territory's prolific Pine Creek gold and pegmatite province. The Company's immediate focus is the ongoing exploration of the Spectrum Project, which lies within the Fenton Shear Zone (FSZ) corridor.

Historic uranium-focused drilling, completed before Rare Earth Elements (REE) were recognised as a valuable critical mineral's opportunity, intercepted high-grade REEs over 350m of a potential 4.5km strike along the FSZ corridor, with mineralisation open to the north and south.

With strong mineral-finding capability and a systematic geophysics and geochemical approach to gold exploration, DeSoto is well positioned to make new mineral discoveries in one of Australia's last, great under explored shear zones.

FENTON GOLD PROJECT
Northern Territory Exploration
Spectrum geophysical surveys

In late June, geophysical surveys were planned to test for possible copper-gold mineralisation at Vesper, associated with an Airborne Electromagnetic (AEM) conductivity anomaly identified from the NT government co-funded 2023 SKYTEM survey (Fig. 1).

The Fixed Loop Ground Electro-Magnetic (FLEM) surveys aimed to further refine modelling of the Airborne Electromagnetic (AEM) conductor plates to ensure optimal drill hole designs. These conductivity anomalies are coincident with anomalous copper enriched Mobile Metal Ion (MMI) geochemical trends and zones of structural complexity inferred from high resolution ground gravity data.

Gravity geophysical contractor Atlas Geophysics was mobilised to site on 11th July and commenced a high resolution 125m by 250m spaced ground gravity survey over Fenton South and Spectrum projects (Vesper and Quantum). Geophysics and its interpretation, plays a critical role in mineral discoveries for projects under cover such as Fenton and Spectrum.

DeSoto has employed gravity and aeromagnetic gradients ("worms") to guide the Company's under-cover interpretation, integrated with the mapping of key faults and structures. Longer faults typically have deeper roots and can be more mineralised or provide pathways for mineralising fluids to focus along. Hence, a proxy for deep faults is the inferred strike length. DeSoto's analysis highlights long NNW-SSE trending structures along the structural grain of the basement and a series of intersecting NE-SW faults (Fig. 2).

These cross-cutting structures control the emplacement of Cullen Suite granitoids and can localise Uranium occurrences, such as along the Hayes Creek Fault (HCF) zone. The SW extension of the HCF towards the FSZ was identified by DeSoto as a high priority regional scale fault intersection target in the first instance.

Fault intersections are targeted as being areas of structural complexity, fluid flow and mineralisation. DeSoto undertook a comprehensive grid-based gravity program to better define structural features in the basement that will assist in targeting, at both Vesper and Quantum targets, combined with FLEM surveys over the Vesper AEM plates to better define drill targets.

Emerging copper story with compelling targets at Quantum and Vesper

In early August the Company received results from the gravity survey at Spectrum, which mapped the northern extension of the FSZ, which may control REE-Au mineralisation at Quantum, as indicated by historical drilling.

This structure is interpreted to have at least 8 km of prospective strike coinciding with MMI copper soil anomalies. Despite its potential for Mary Kathleen-style copper-REE and high-grade copper skarn mineralisation, this 8-km trend remains largely untested by previous drilling. At Vesper, the gravity survey revealed two moderate residual anomalies, coinciding with modelled AEM conductor plates and strong MMI copper anomalies in an area of structural complexity.

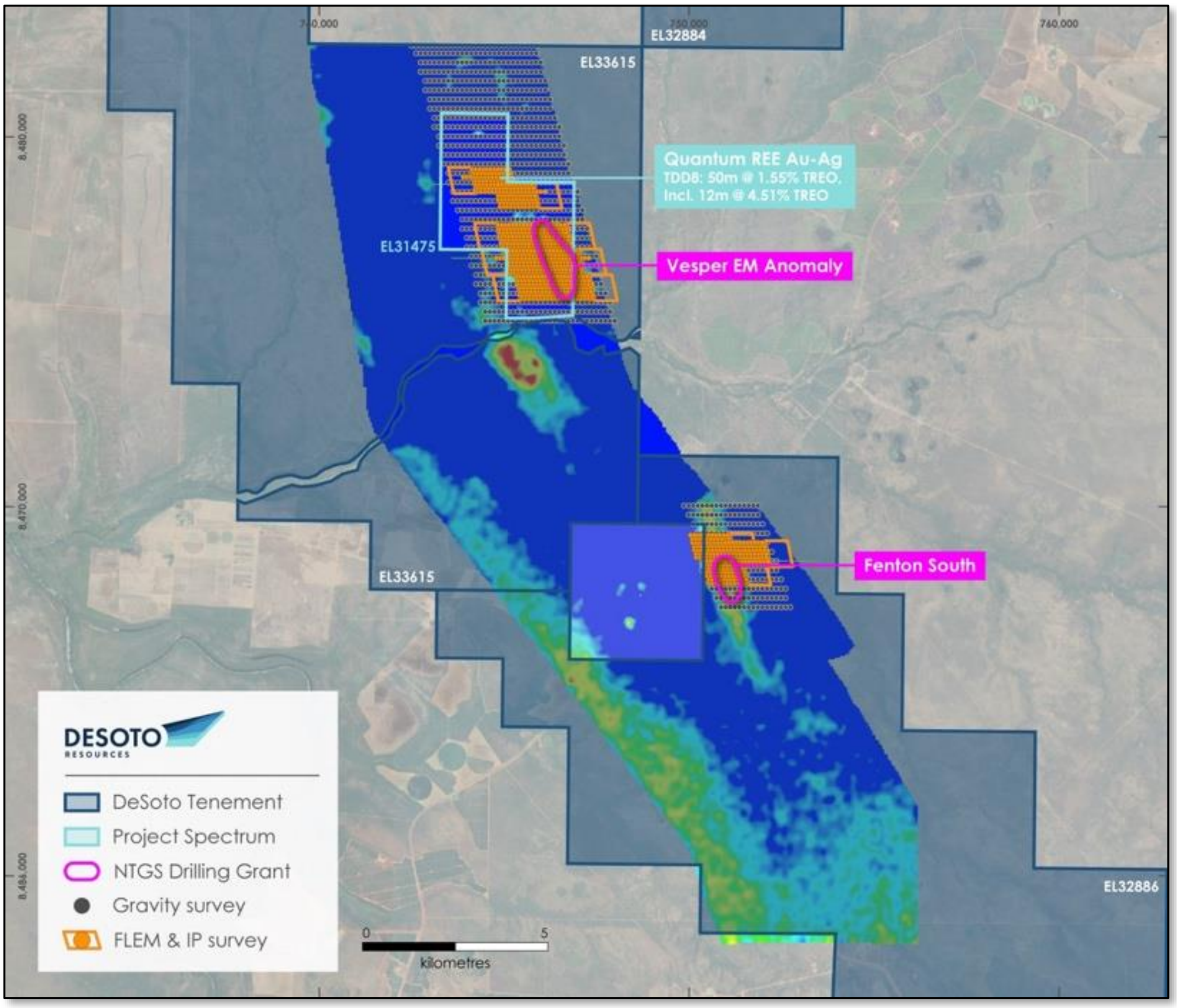

Figure 1 - Fenton and Spectrum Project locations on SKYTEM late-time ch 34 showing locations of gravity survey stations, FLEM and IP survey lines.

Fenton South geophysical surveys

The gravity data indicated a 1mgal residual gravity anomaly coincident with the Fenton South AEM anomaly and slightly offset from a moderate intensity magnetic anomaly that potentially defines the core of a fold (Fig. 3).

The eastern margin of the Fenton South gravity anomaly is bounded by a strong gravity gradient that is interpreted to be correlated to the mineralised FSZ. The coincident gravity and AEM anomalies at Fenton South presented an outstanding untested drill target.

The Company was awarded a $160,000 Resourcing the Territory Grant for Fenton South with details of the drilling program to be announced upon completion and collation of the new ground geophysical data.

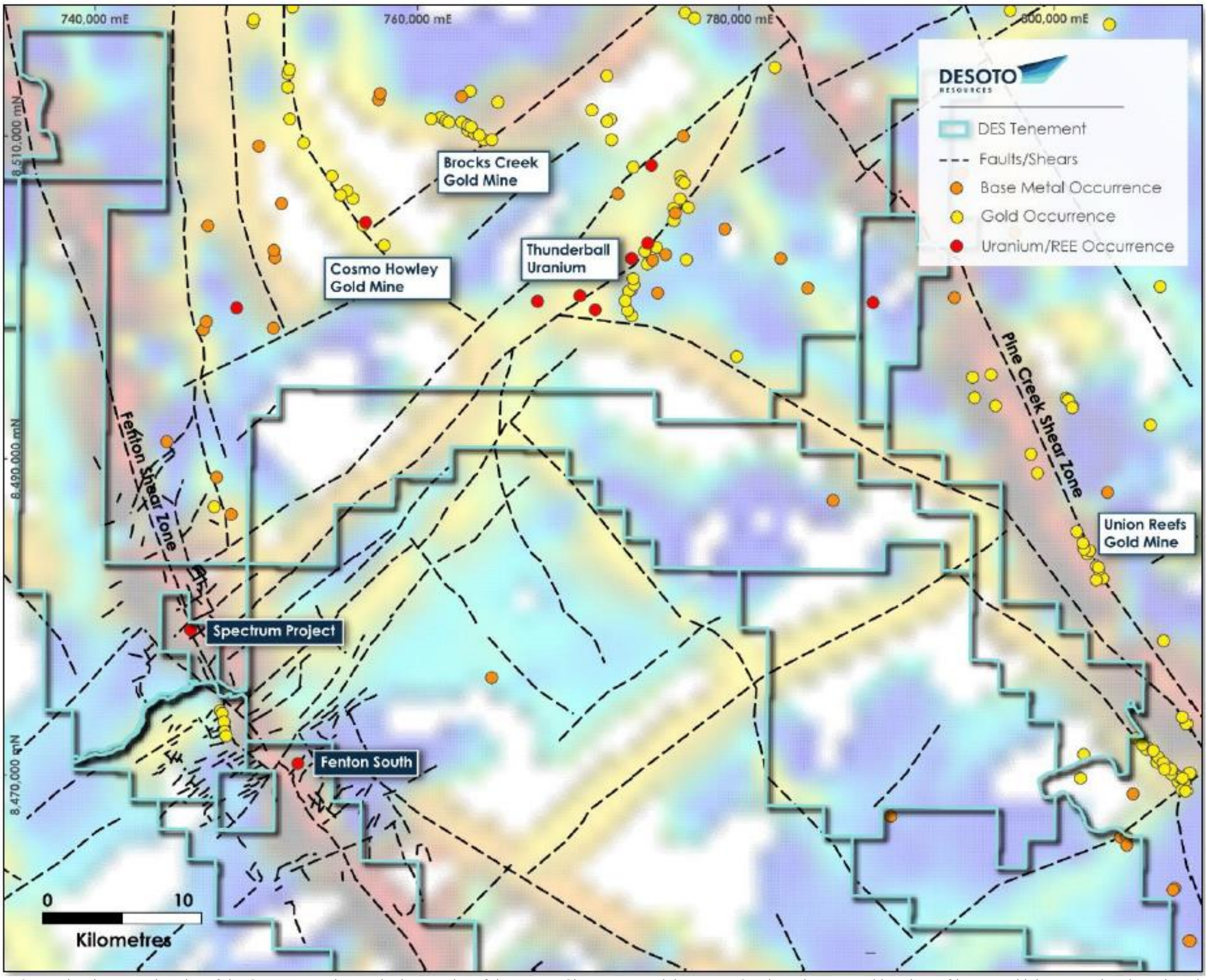

Figure 2 - Regional structural setting of the Spectrum Project at the intersection of the Fenton Shear Zone and the Hayes Creek Fault Zone and locations of known gold, base metal and uranium+/-REE mineralisation. The underlying colour image is of interpreted fault length (longer faults shown as warmer colours). This highlights long and by inference deep structures. The fault length image is derived from integrated interpretation of magnetic, gravity and mapped fault data sets.

Ground Geophysical Survey (detailed)

A 7-week ground electrical geophysical survey program completed by Zonge Geophysics covering the Quantum, Vesper and Fenton South target areas, comprised 13.5-line km of 2D pole-dipole induced polarisation (PDIP), and 77-line km of FLEM collected across eleven transmitter loops.

The local scale geophysical surveys were planned to test for possible copper-gold mineralisation at Vesper associated with an AEM conductivity anomaly identified from the NT government co-funded 2023 SKYTEM survey.

The FLEM surveys aimed to further refine modelling of the AEM conductor plates prior to drill testing to ensure optimal hole designs. These conductivity anomalies are coincident with anomalous copper enriched MMI geochemical trends and zones of structural complexity inferred from high resolution ground gravity data.

The FLEM and IP survey results confirmed the presence of all four discrete AEM basement conductors previously modelled and generated six new conductivity and/ or chargeability anomalies that may represent accumulation of massive, disseminated or vein hosted sulphides. This data indicates a ~2km long by 1.6km prospective zone of anomalous geochemical and geophysical responses at Vesper.

Drill testing is required to determine the source of these responses. Two loops of FLEM and one 2D profile of IP were collected over the Quantum area to test if the REE-Au mineralisation has a geophysical response and/ or if a target may be present beneath the current limits of drilling at depth. FLEM channel imaging results indicate that four conductivity anomalies occur coincident with or along strike of historic drill intercepts at Quantum. These are aligned along a strike extensive reactivated basement fault, inferred from AEM and high-resolution ground gravity data, that may have a structural control on mineralisation.

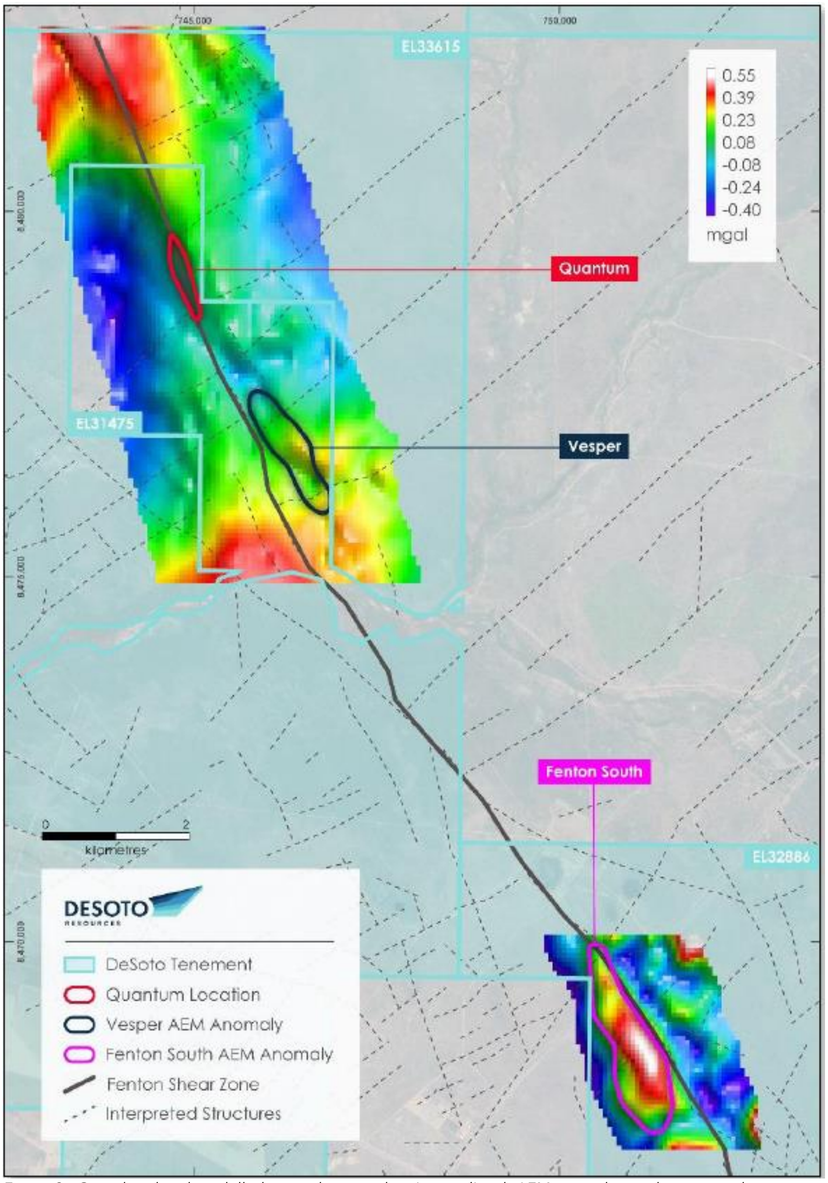

Figure 3 - Completed and modelled ground gravity data (in mgal) with AEM anomalies and interpreted structures.

IP models indicated a broad chargeability zone at depth coincident with the historic drilling at Quantum. Three loops of FLEM and one 2D profile of IP were collected over the Fenton South gold target area that was originally identified from the 2023 SKYTEM survey. A ground gravity survey was also completed over this area and detected a significant +1mgal residual anomaly that is semi-coincident with magnetic and AEM anomalies.

The FLEM surveys identified two conductive zones of interest. IP models indicate a lower order chargeability anomaly slightly offset from the high-density body. The targeted possible copper-gold mineralised zones are predicted to be associated with sulphide alteration that would have a high conductivity response to EM surveys and a high chargeability response to IP geophysical surveys. Positive gravity and magnetic responses are anticipated to arise from alteration related to a hydrothermal mineralised system.

Granted Tenements

TENEMENT No.	LOCATION	INTEREST %	HOLDER
Pine Creek Gold and Copper Project	NT	100%	Mangusta Minerals Pty Ltd
EL32884			
EL32886			
EL33188			
EL33189			
EL33225			
EL31356			
EL32148			
EL31899			
EL33615			
EL31475 (The Company has an exclusive right to acquire up to an undivided 70% legal and beneficial interest in this mineral exploration licence).			

CORPORATE
The loss for the Group for the half-year after providing for income tax amounted to $689,548 (31 December 2023: $915,027). As at 31 December 2024, the Group had cash and cash equivalents of $4,137,113 (30 June 2024: $5,659,619).

During the period, the Company entered into an option agreement (HOA) with Tratex Mineracao Ltda (an entity incorporated under the laws of Brazil) (Tratex), pursuant to which Tratex has agreed to grant the Company an exclusive option (Option) to acquire 100% legal and beneficial interest in the tenements comprising the Dom Silverio Project in Brazil. Subject to satisfaction (or waiver) of the conditions precedent contained in the HOA, the commercial terms are as follows:

a) Option Fee: USD$100,000, to be paid within 7 days of execution of the HOA, in consideration for exclusivity over the Dom Silverio Project during the period commencing on the execution of the HOA until the Company exercises the Option;
b) Definitive Agreement (DA) Execution Payment: USD$400,000, to be paid within 7 days of execution of the DA; and

c) Acquisition Payment: Within 7 days of the Company issuing Tratex a notice of exercise of the Option and subject to the execution of the agreement to transfer the tenements to the Company (Acquisition Transaction), the Company will transfer the amount of USD$4,500,000 to Tratex (First Installment Acquisition Payment). The second payment of USD$4,500,000 will be held in escrow in a trust account nominated by the parties and with costs borne by the Company (Second Installment Acquisition Payment). Upon confirmation of the Acquisition Transaction and payment of the First Installment Acquisition Payment, Tratex will apply to the National Mining Agency to transfer all the tenements to the Company and must keep the Company informed of its progress in satisfying the transfer. After 3 (three) days of the Official Gazette publication regarding the transfer of the tenements to the Company, the Second Installment Acquisition Payment will be released to Tratex. The amount held in the escrow account shall be released partially and proportionally as the transfers of each of the tenements are registered in favor of the Company, according to an objective criterion to be detailed in the DA.

The Company may exercise the Option (at its sole election) at any time during the period that is 4 years beginning on completion of due diligence.

Matters subsequent to the end of the financial half-year
On 17 February 2025, the Company signed a binding heads of agreement to acquire 100% of the fully paid ordinary shares of Angex Australia Pty Ltd (Angex)[1]. Angex, via its wholly owned Guinean subsidiary, is the sole legal and beneficial owner, or has contractual rights to become the sole legal and beneficial owner, of certain tenements in the Siguiri basin, Guinea.

No other matter or circumstance has arisen since 31 December 2024 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.

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

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

On behalf of the Directors

Paul Roberts
Non-Executive Chairperson

24 February 2025
Perth, Western Australia

[1] ASX Announcement: "Acquisition of High-Grade Gold Projects in Guinea's Siguiri Basin", 20 February 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of DeSoto Resources Limited for the half-year ended 31 December 2024, 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 review; and

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

Perth, Western Australia	**N G Neill**
24 February 2025	**Partner**

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

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DeSoto Resources Limited
Contents
31 December 2024

DeSoto Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 $	Consolidated 31 Dec 2023 $
Revenue			
Interest		89,216	159,639
Expenses			
Accounting and audit fees		(38,357)	(16,759)
Consultants and contractors		(75,903)	(222,776)
Corporate and admin costs		(88,924)	(105,476)
Depreciation expense		(32,423)	(32,848)
Employee benefits expense		(267,268)	(289,224)
Exploration expenditure		(229,671)	(359,935)
Finance costs		(2,058)	(3,099)
Share based payments expense	4	(44,242)	(44,001)
Unrealised foreign exchange gains/(losses)		82	(548)
Loss before income tax expense		(689,548)	(915,027)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of DeSoto Resources Limited		(689,548)	(915,027)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of DeSoto Resources Limited		(689,548)	(915,027)
		Cents	**Cents**
Loss per share for loss attributable to the owners of DeSoto Resources Limited			
Basic loss per share		(0.75)	(1.03)
Diluted loss per share		(0.75)	(1.03)

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

DeSoto Resources Limited
Statement of financial position
As at 31 December 2024

	Note	Consolidated 31 Dec 2024 $	30 Jun 2024 $
Assets			
Current assets			
Cash and cash equivalents		4,137,113	5,659,619
Trade and other receivables	5	54,655	63,450
Other current assets		44,554	51,919
Total current assets		4,236,322	5,774,988
Non-current assets			
Property, plant and equipment		72,798	79,896
Right-of-use assets	6	122,744	150,020
Exploration and evaluation assets	7	4,170,392	3,542,453
Other non-current assets	8	159,149	5,101
Total non-current assets		4,525,083	3,777,470
Total assets		8,761,405	9,552,458
Liabilities			
Current liabilities			
Trade and other payables		170,728	282,846
Lease liabilities		56,048	54,652
Employee benefits		64,779	71,339
Total current liabilities		291,555	408,837
Non-current liabilities			
Lease liabilities		74,237	102,702
Total non-current liabilities		74,237	102,702
Total liabilities		365,792	511,539
Net assets		8,395,613	9,040,919
Equity			
Issued capital	9	11,414,446	11,414,446
Reserves	10	979,718	935,476
Accumulated losses		(3,998,551)	(3,309,003)
Total equity		8,395,613	9,040,919

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

DeSoto Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	11,076,298	691,667	(1,614,692)	10,153,273
Loss after income tax expense for the half-year	-	-	(915,027)	(915,027)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(915,027)	(915,027)
Transactions with owners in their capacity as owners:				
Loyalty Options	-	76,047	-	76,047
Share-based payments	-	44,001	-	44,001
Balance at 31 December 2023	11,076,298	811,715	(2,529,719)	9,358,294

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 half-year	-	-	(689,548)	(689,548)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(689,548)	(689,548)
Transactions with owners in their capacity as owners:				
Share-based payments (note 10)	-	44,242	-	44,242
Balance at 31 December 2024	11,414,446	979,718	(3,998,551)	8,395,613

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

DeSoto Resources Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
	31 Dec 2024	**31 Dec 2023**
	$	**$**
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(472,721)	(649,302)
Payments for exploration and evaluation expensed	(285,121)	(374,820)
Interest received	89,216	159,639
Other – GST inflow/(outflow)	8,823	(43,637)
Net cash used in operating activities	(659,803)	(908,120)
Cash flows from investing activities		
Proceeds from term deposit maturing	-	2,000,000
Payments for exploration and evaluation	(627,941)	(1,422,931)
Payment for acquisition of mining tenements (option fee)	(154,045)	-
Payment for plant and equipment	(51,590)	-
Northern Territory government geophysics co-funding grant	-	43,765
Investment in subsidiaries	-	(5,104)
Net cash used in investing activities	(833,576)	615,730
Cash flows from financing activities		
Proceeds from issue of loyalty options	-	76,047
Repayment of lease liabilities	(29,127)	(28,757)
Net cash (used in)/from financing activities	(29,127)	47,290
Net decrease in cash and cash equivalents	(1,522,506)	(245,100)
Cash and cash equivalents at the beginning of the period	5,659,619	6,663,680
Cash and cash equivalents at the end of the period	4,137,113	6,418,580

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

Note 1. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of the business.

The Group has incurred a net loss after tax for the period ended 31 December 2024 of $689,548 (31 December 2023: $915,027) and had net cash outflows from operating, investing and financing activities of $1,522,506 (31 December 2023: $245,100). As at 31 December 2024 the Group had a working capital surplus of $3,944,767 (30 June 2024: $5,366,151) and cash and cash equivalents of $4,137,113 (30 June 2024: $5,659,619).

Note 2. 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 period. The financial statements are presented in Australian dollars, which is DeSoto Resources Limited's functional and presentation currency.

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 February 2025. The Directors have the power to amend and reissue the financial statements.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group financial report for the year ended 30 June 2024.

Note 3. 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 Group currently operates in one operating segment being mineral exploration and evaluation in the Northern Territory.

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.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision makers are determined in accordance with AASB 8 Operating Segments.

Note 4. Share-based payments

	Consolidated	
	31 Dec 2024	**31 Dec 2023**
	$	**$**
Performance rights (note 10)*	44,242	44,001
	44,242	44,001

**Continued vesting of existing performance rights, not new performance rights.*

Note 5. Trade and other receivables

	Consolidated	
	31 Dec 2024	**30 June 2024**
	$	**$**
Security Deposits	28,803	-
Other receivables	1,965	30,738
GST receivable	23,887	32,712
	54,655	63,450

Note 6. Right-of-use assets

	Consolidated	
	31 Dec 2024	**30 June 2024**
	$	**$**
Non-current assets		
Buildings - right-of-use	263,672	263,672
Less: Accumulated depreciation	(140,928)	(113,652)
	122,744	150,020

Note 6. Right-of-use assets (continued)

Movements in right-of-use asset	**Consolidated**	
	6 Months to 31 Dec 2024 $	**12 Months to 30 June 2024 $**
Opening balance	150,020	207,759
Lease adjustment	-	(4,107)
Amortisation charge	(27,276)	(53,632)
	122,744	150,020

Note 7. Exploration and evaluation assets

	Consolidated	
	6 Months to 31 Dec 2024 $	**12 Months to 30 June 2024 $**
Exploration and evaluation	4,170,392	3,542,453

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

Consolidated	$
Balance at 1 July 2024	3,542,453
Additions*	627,939
Balance at 31 December 2024	4,170,392

* Capitalised exploration predominantly relates to geophysical studies carried out on the Spectrum project in advance of the maiden exploration drilling program expected to start in Q2 CY2025.

The ultimate recoupment of exploration expenditure carried forward is dependant on successful development and commercial exploitation, or alternatively, sale of the respective areas.

Note 8. Other non-current assets

	Consolidated	
	31 Dec 2024 $	**30 June 2024 $**
Non-current assets		
Option fee*	154,045	-
Investment in subsidiaries	5,104	5,101
	159,149	5,101

Note 8. Other non-current assets (continued)

*During the period, the Company entered into an option agreement (HOA) with Tratex Mineracao Ltda (an entity incorporated under the laws of Brazil) (Tratex), pursuant to which Tratex has agreed to grant the Company an exclusive option (Option) to acquire 100% legal and beneficial interest in the tenements comprising the Dom Silverio Project in Brazil. Subject to satisfaction (or waiver) of the conditions precedent contained in the HOA, the commercial terms are as follows:

a) Option Fee: USD$100,000, to be paid within 7 days of execution of the HOA, in consideration for exclusivity over the Dom Silverio Project during the period commencing on the execution of the HOA until the Company exercises the Option;
b) Definitive Agreement (DA) Execution Payment: USD$400,000, to be paid within 7 days of execution of the DA; and
c) Acquisition Payment: Within 7 days of the Company issuing Tratex a notice of exercise of the Option and subject to the execution of the agreement to transfer the tenements to the Company (Acquisition Transaction), the Company will transfer the amount of USD$4,500,000 to Tratex (First Installment Acquisition Payment). The second payment of USD$4,500,000 will be held in escrow in a trust account nominated by the parties and with costs borne by the Company (Second Installment Acquisition Payment). Upon confirmation of the Acquisition Transaction and payment of the First Installment Acquisition Payment, Tratex will apply to the National Mining Agency to transfer all the tenements to the Company and must keep the Company informed of its progress in satisfying the transfer. After 3 (three) days of the Official Gazette publication regarding the transfer of the tenements to the Company, the Second Installment Acquisition Payment will be released to Tratex. The amount held in the escrow account shall be released partially and proportionally as the transfers of each of the tenements are registered in favor of the Company, according to an objective criterion to be detailed in the DA.

The Company may exercise the Option (at its sole election) at any time during the period that is 4 years beginning on completion of due diligence.

Note 9. Issued capital

	Consolidated			
	31 Dec 2024 Shares	**30 June 2024 Shares**	**31 Dec 2024 $**	**30 June 2024 $**
Ordinary shares - fully paid	92,586,000	92,586,000	11,414,446	11,414,446

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2023	88,950,000		11,076,298
Issued capital – Copperoz Pty Ltd	28 June 2024	3,636,000	$0.093	338,148
Balance	1 July 2024	92,586,000		11,414,446
Balance	31 December 2024	92,586,000		11,414,446

Note 9. Issued capital (continued)

Reconciliation of options on issue

Details	Date	Shares	Issue price	Exercise Price
Balance	1 July 2023	72,445,338		-
Issue of shortfall options	17 July 2023	7,604,672	$0.01	$0.25
Issue of options to Copperoz Pty Ltd	28 June 2024	1,600,000	$0.05	$0.23
Balance	1 July 2024	81,650,010		
Balance	31 December 2024	81,650,010		-

Note 10. Reserves

	Consolidated 31 Dec 2024 $	30 June 2024 $
Share-based payments reserve	534,968	490,726
Options reserve	444,750	444,750
	979,718	935,476

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.

Movement in reserves
Movement in each class of reserve during the current financial half-year are set out below:

	Options $	Share-Based Payments $	Total $
Balance at 1 July 2024	444,750	490,726	935,476
Value of performance rights expensed (refer to note 4)	-	44,242	44,242
Balance at 31 December 2024	444,750	534.968	979,718

Note 11. Commitments

The Group has the following commitments principally relating to the minimum expenditure requirements for tenements granted for the Fenton Gold Project, the Shoobridge Project and the Spectrum Project

	Consolidated	
	31 Dec 2024 $	30 June 2024 $
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	568,000	754,500

Note 12. Related party transactions

Parent entity
DeSoto Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 13.

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:

- Fractore Pty Ltd, a Company of which Dr Finbarr (Barry) Murphy is a director, charged the company $11,550 for consulting services (excluding directors fees) during the financial half-year:
- Propel Agency Pty Ltd, a geological diagram and presentation company in which Mr Christopher Swallow has a 50% ownership interest, charged the company $11,902 for services during the financial half-year;

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

Note 13. Interests in subsidiaries

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 Dec 2024 %**	**30 June 2024 %**
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
Desoto Brasil Mineracao Ltda	Brazil	100.00	100.00
Solorico SUARL	Gabon	100.00	100.00

Note 14. Contingent liabilities

Since the last reporting date of 30 June 2024, there has been no material change to the Group's contingent liabilities.

Note 15. Events after the reporting period

On 17 February 2025, the Company signed a binding heads of agreement to acquire 100% of the fully paid ordinary shares of Angex Australia Pty Ltd (Angex)[1]. Angex, via its wholly owned Guinean subsidiary, is the sole legal and beneficial owner, or has contractual rights to become the sole legal and beneficial owner, of certain tenements in the Siguiri basin, Guinea.

No other matter or circumstance has arisen since 31 December 2024 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.

Note 16. Financial Instruments

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.

1 ASX Announcement: "Acquisition of High-Grade Gold Projects in Guinea's Siguiri Basin", 20 February 2025

DeSoto Resources Limited
Directors'declaration
31 December 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

____
Paul Roberts
Non-Executive Chairperson

24 February 2025
Perth, Western Australia

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of DeSoto Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of DeSoto Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility 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 (including Independence Standards)* (the "Code") 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.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 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 an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 February 2025

N G Neill
Partner